

BANCO CENTRAL de la REPUBLICA ARGENTINA

Buenos Aires, Argentine

1933 -- 1937

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C. P. R.  
APR -5 1933

April 4, 1933.

John Lane, Esq.,  
c/o Sres. Urrutia, Ugarte & Cía.,  
Casilla de Correo No. 1,  
Asunción, Paraguay.

Dear Sir:-

ARGENTINE CENTRAL BANK OF ISSUE

We enclose herewith a clipping from the "New York Times" of March 30th, which we thought may be of interest to you.

We are sending a similar clipping to Hale & Co. in Buenos Aires, and shall advise you of anything further we may learn on this subject.

We would appreciate hearing anything you may learn in regard to the matter, should you in the meantime hear something direct from Hale.

Yours very truly,

CTB/IW

Manager Foreign Department.

OTHER COPY IN  
PACKET 593 Sub Agencies



N.Y. Times of March 30, 1933

C.P.R.  
APR -5 1933

### ARGENTINE BANK URGED.

Sir Otto Niemeyer Asks Central  
Issue Institution.

Special Cable to THE NEW YORK TIMES.

BUENOS AIRES, March 29.—Finance Minister Alberto Hueyo announced today that a report by Sir Otto Niemeyer, vice governor of the Bank of England, recommends the establishment of a central bank of issue and a national banking law controlling the organization and operation of all banks.

He denied Sir Otto had recommended inflation. Sir Otto has been making a survey of Argentine's finances.



C. P. R.  
APR -5 1933

April 4, 1933.

Messrs. S. B. Hale Ltd., S.A.,  
Bme, Mitre 430,  
Buenos Aires,  
Argentina.

Dear Sirs:-

ARGENTINE CENTRAL BANK OF ISSUE

We enclose herewith a clipping from the "New York Times" of March 30th, of which matter you undoubtedly have some knowledge.

We shall of course be interested to hear from you on this subject.

Yours very truly,

Manager Foreign Department.

CTB/IW



ack'd 5/18/33  
Filed*Samuel B. Hale Company, Limited*C. P. R.  
JUN 13 1933*Buenos Aires,* 28th. April, 1933.

J. C. L.

MAY 18 1932

Charles T. Blackmore, Esq.,  
Manager, Foreign Department,  
AMERICAN BANK NOTE COMPANY.  
70, Broad Street - NEW YORK.

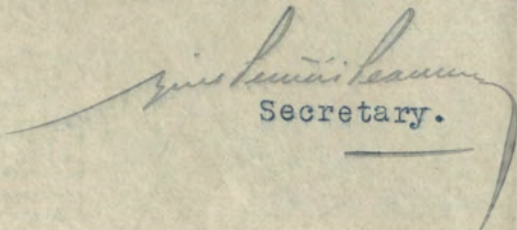
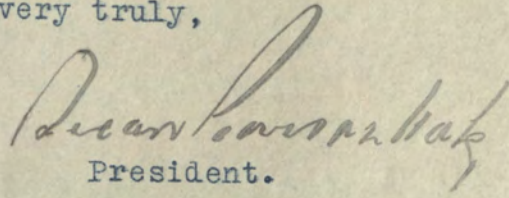
Dear Sir:

ARGENTINE CENTRAL BANK OF ISSUE.

We beg to acknowledge receipt of your favor of 4th. inst., and in reply to same we take pleasure in enclosing herewith cuttings of news-papers in which you will find the report of Sir Otto Niemeyer respecting his survey of Argentine's finances.

Referring to the Central Bank of issue, we beg to inform you that in case the Government decides to favor it, same has to be submitted and adopted by Congress, before its definite establishment.

Yours very truly,

  
Secretary.  
President.





MAY 18 1933



C.P.R.  
JUN 13 1933

*newspaper  
clippings*



# GOVERNMENT ADOPT NEMEYER REPORT.

## MEASURES TO GO TO CONGRESS

Statement by Minister of Finance.

### OFFICIAL LUNCHEON AT THE JOCKEY CLUB.

**A**N announcement to the effect that Congress would be asked to pass legislation on the basis of Sir Otto Niemeyer's projects was made by the Minister of Finance yesterday in his speech at the farewell luncheon served in honour of the British mission at the Jockey Club.

The distinguished audience listened with great attention to the interesting speeches made both by the Minister and Sir Otto, who delivered some remarks on the general situation of Argentina. He considered that good progress had been made in the sphere of public finance recently, and congratulated the Minister of Finance on the adoption of direct taxation. Finally, he considered that Argentina was weathering the storm with less damage than most other countries, and had many advantages in its favour to justify confidence in the future.

### THE OUT-OF-DATE CAJA.

**T**HE banquet was served in the sumptuous dining room of the Jockey Club, and the guests included the Ministers of Finance and Interior, the British Ambassador, railway and banking directors, important public functionaries and representative business men. After dessert Dr. Hueyo rose to speak, delivering the following speech, that was received with warm applause:

"The Argentine Republic after the last closure of the Caja de Conversión and the measures which have been taken subsequently to that step, including the rediscution law and others relating to the issue of currency against the guarantee of National bonds, is in a period of evolution as regards its monetary system."

"It must abandon, owing to the force of circumstances its old conversion law, which in its time was a motive of legitimate pride for Argentina; owing to the accumulation of bullion in its vaults, thanks to the great confidence created by that formal promise contained in the clauses of the respective law, which guarantees that at any time and whatever the circumstances the nation would exchange paper for gold and gold for paper at the rate of 44 cents."

"The last closure of the Caja occurred in December, 1929, and the impossibility of ensuring the conversion of currency maintains the expectation regarding the future of Argentine currency."

"The sacrifices which the country has had to make as regards economies have not been sufficient to restore tranquility; nor the maintenance of a rigorous taxation scheme destined to cover the country's expenditure, including the sacred services of the public debt, which have been regularly kept up."

"The fact is that the world no longer believes in the stability of monetary systems managed by the State. On the other hand, by means of the creation of Central Reserve Banks in various countries, and counting on the assistance of the joint efforts of that class of institutions, it is hoped that a better organisation of the monetary markets will be obtained."

"Unless the production of gold exceeds its present rate, the high percentage of metallic backing which characterised past regimes will not again be seen. The enormous development of business in times of prosperity makes it impossible to return to the old channels without an excessive contraction which would needlessly aggravate the present crisis, affecting all nations."

"The cooperation of the central banks, acting as a kind of 'clearing house,' may prove in the future exchange tension, preventing the adverse balances of payments from causing gold exports affecting the metallic reserves."

"But in order that an institution of such a nature should be able to attain those ends and merit the confidence of similar entities in other countries, it is necessary that it should fulfil certain elemental requisites. In the first place it should be foreign to all political influence, must be forbidden from engaging in operations which might endanger its stability, and as regards the country in which it operates it is necessary that it should have a clear notion and a traditional respect for contracted obligations."

"In accordance with the above ideas the Government of which I am a member, after balancing its budget and obtaining a clear idea of the amount likely to be

obtained from the new taxes, has considered that the time has arrived to create a central bank to give stability to its currency without resorting to the restrictive measures derived from exchange control, the application of which can only be conceived as temporary, for if prolonged unduly they would be likely to strike back at the very interests they are intended to protect."

"On the other hand the various entities which are to-day under the control of various departments, such as the Caja de Conversión, the Rediscution Committee, the Exchange Control Board and the Junta Autónoma de Amortización, urgently need a central axis around which their activities may revolve in accordance with a plan of combined action."

"Under this state of things, and as I have just explained, in view of the fact that the principal aspect of the central banks is their vinculation with similar entities in the more advanced nations, the Executive Power deemed it convenient to come into contact with some of them, and therefore addressed itself to the Bank of England, which unites to the prestige of several centuries of existence the fact that it belongs to a country which maintains with our own commercial relations of great importance, and to which we are linked by a long and traditional friendship."

"The invitation which was in due course sent by the Bank of the Nation brought forth a reply from the Bank of England which merits our recognition."

"The Mission sent as at its head the well-known figure of Sir Otto Niemeyer; a Director of the Bank of England and of the International Bank at Basle, who has presided over the meetings of the financial committee of the League of Nations. In addition, Sir Otto has been entrusted in recent years with the study of the economic situation of several European countries which have consulted the Committee referred to, as also Brazil, New Zealand and Australia."

"The last named British Dominion has, as is known, a production very similar to our own. Its financial situation before Sir Otto's visit was most serious, with a public debt double that of our own country, its budget not balanced, and its currency depreciated by 30 per cent."

"The economic revival of Australia, a country which has only half the population of Argentina, with an insignificant home trade and a foreign trade far inferior to that of Argentina, and which nevertheless pays its obligations without delay, has a greatly improved budget and its bonds quoted near par, seems miraculous, but is solely due to the energetic and severe observation of the fundamental principles contained in the report of our distinguished guest."

"The Mission sent by the Bank of England also includes distinguished members such as Professor Clay, who holds the Political Economy chair at the Oxford and Manchester Universities; and Messrs. Powell, Watson, and Young, who are all authorities in their respective specialities, which relate to budgets, banks and currency."

"Gentlemen, Sir Otto has presented his study of the Argentine situation in the form which may be appreciated from to-day's newspapers. The report and the draft Bills attached to it will be the basis of the Bills to be submitted to Congress by the Executive Power."

"In offering him this demonstration prior to his departure after having shared our life during three months and having witnessed the efforts made to restore our finances, I wish him and his distinguished companions to bear with

(Continued on page 14.)

## Niemeyer Report Adopted.

(Continued from page 3.)

them a message of gratitude from the Argentine Nation and its bank to the powerful institution to which he belongs, and that he may take to his Government and to his people the sincere wish of the Argentine Government and people that the patriotic efforts being made at this moment by the British and Argentine committees to return to Anglo-Argentine trade its old-time splendour should be crowned by success."

When the applause which greeted the final words had died down, Sir Otto rose to speak, and his short speech, the text of which is given in full below, was typically concise and to the point, being listened to intently by the guests."

### SIR OTTO'S REPLY.

Speaking in Spanish, Sir Otto thanked the Minister for his kind comments, and also tendered his thanks for the collaboration which both he and his assistants had received. He then continued as follows, in English, remarking that the Minister of Finance had not left him sufficient spare time to perfect his knowledge of Spanish: "I should like to take this opportunity on behalf of myself and my friends of thanking the Argentine Government and in particular the Minister of Finance for the unfailing courtesy and readiness with which they and their officials have met our often exigent demands for information. It has been to me not only a great honour to be asked to express an opinion on some Argentine problems, but a great pleasure to discuss these problems continuously with Dr. Hueyo."

"I have for the last two months been, in my own eyes at least, an Argentine official, and I only regret that that period must now come to an end. As an official I have been kept busily occupied; but I am exceedingly glad that I have been able to see something of other parts of your country, as I am not one of those who believes that all truth resides in the capital city of any country."

"I should like also to thank the President and Directors of the Bank of the Nation for their kindness in placing accommodation at my disposal and for the many occasions on which they and their staff have contributed to the results of our labours."

"I wish also, as we meet in the Jockey Club, to express my thanks to the President and Committee of the Club for the much appreciated courtesies which the Club has afforded to us during our stay in Buenos Aires."

"The Report which I have made to the Argentine Government, which has been published to-day, deals, so far as I believe they can deal with at the present moment, with the specific questions of banking policy on which I was asked to express an opinion. The Report recommends as a matter of urgency the establishment of a Central Bank on recognised lines together with certain general banking legislation."

"I am glad to know that the general suggestions of the Report have your approval and that of the President."

"I do not think it is desirable for me now to endeavour to comment on what is necessarily a somewhat complicated document, even if I could enfranchise sufficiently from the pride of authorship; but if you will permit me, I should like to make one or two general remarks in this connection."

"The first is that there are as many different opinions on questions of banking theory and practice as there are on questions of theology. Everyone, and no one more than the so-called experts, has his own facts. It is useless to expect that a practical scheme can satisfy all the points of view which may be raised in theoretical discussion. I believe the scheme proposed displays reasonable regard for theoretical considerations as corrected by the practical experience of many different countries. But I would ask that the scheme should be viewed as a concrete measure intended to meet

actual conditions in the Argentine and not as a target for theoretical sharpshooters."

"The second remark that I should like to make is that the scheme in its major proposals is a balanced whole contrived to meet and so far as may be reconcile a number of varying considerations; and if it is not regarded as a whole or if the design of the building is changed on one or other of its storeys, it would not then be a structure that I should recommend."

"My last remark is that I believe the subject matter of the scheme is of urgent importance to the Argentine, and that the utility of the scheme will diminish the greater the delay in putting it into force. It is precisely in times of stress that there is need for a constructive effort, and that plans should be laid and established which can be in effective bearing when the change to better times comes."

"Now I would like, if you will permit me, to stray a little beyond my immediate province, and to say one or two words of a more general nature."

"There is one matter to which I should like to refer more particularly as it has an important bearing on the considerations which led to the recommendations of my Report. There is much to do, and no one would deny it, in the sphere of Argentine Public Finance; but it would be foolish to overlook the progress which has recently been achieved. When all reservations and all qualifications have been made, it still remains a basic fact that a very desirable commencement has been made in liquidating the debts of the past with the assistance of the Patriotic Loan, and that according to the figures recently established the Budget of last year has closed in practical equilibrium. A good beginning, though only a beginning, has been made in the face of many difficulties, and though much remains to be done I hope that what has been achieved is an earnest of the maintenance of similar forces in the future."

"I should like in particular to congratulate the Minister of Finance on the introduction into the Argentine of direct taxation. I believe the time has gone by when the Argentine can rely solely on indirect taxation and that to do so would risk embarrassments which it is wise to avert in advance. I well know the difficulty of organising direct taxation and that the first beginnings can never be either perfect for the fisc or entirely comfortable to the taxpayer. But the results of the first year here seem to me very promising. Seventy millions is an appreciable sum, particularly in these days, and I feel confident that a landmark has been set up in Argentine financial history."

"The Argentine has not escaped and could not expect to escape, from all the difficulties of the world economic crisis. She suffers in some measure, though starting rather later, many of the misfortunes which have befallen countries producing similar commodities, such as the agricultural States of Europe, Australia, Canada and not least the United States of America. Against these general evils, there is little that the Argentine can do by itself, and their solution must lie and may perhaps be commenced in the next few months in international action, whether through the World Economic Conference or otherwise. In my judgment, however, the Argentine has so far weathered the storm with less damage than many of her fellows and has many advantages in her favour which justify a sober confidence in her future. The fertility of her soil, the high standard of her products, the absence of many of the economic rigidities which complicate predominantly industrial countries and even, though this will surprise you, the relative lowness of her taxation, justify the belief that under careful direction she will pass through the ordeal

relatively unscathed. I believe that, I am expressing an opinion which is generally held in the world at large and which should be held in the Argentine.

### WEDDING IN SAO PAULO

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By H.G. LO

AL PRESS  
OPINION.

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← MACKERN'S →

THE RAILWAY BOOKSTALLS

L. ALEM 443.

## Buenos Aires Herald

## Book Reviews.

Forty Years Ago.  
April 4, 1893.

Birth — On the 31st March, at 063 Cordoba, to Mrs. David Suf-ern, a son.

State of Siege: — It is rumoured that the Cabinet are deliberating whether or not it is advisable to declare a state of siege, granted the unsettled condition of the upper provinces. One is inclined from all accounts to believe that the resolution will be adopted, ugly rumours arising from up country. We learn from San Roque in Corrientes that a man named Juan Rios at the head of twenty men attacked the comisaria. News from other places points to a general effervescence.

Corrientes: — The latest news from this city is that the armed leagues patrolled the city at night and the Government party are med to the teeth, affirming that a revolutionary movement is about to set the whole province in a blaze. A large number of men are collected together in the court-yard of the police head-quarters. Colonel campo set out for the country districts on Thursday; and the suit of his journey was the capture of several men under suspicion of complicity in the conspiracy so ordered by the Government.

Provincial notes: — News from atamarca mentions the triumph of the revolu/n. Senator Carrallo is the one most opposed to the resignation of the Governor. Colonel Daza's attitude is, we understand, highly applauded and is cause daily strengthened.

Berlin, April 2: — Over eight hundred complimentary telegrams are received by Bismarck on the occasion of his 79th birthday. A large quantity of cut flowers and enormous bouquets were also sent to his house. Special delegations from Holstein, Hamburg and Bonn, met personally to congratulate him on the happy event, begging him not to desist in the contest against the actual policy of the Empire, which was not according to the wishes of the greater part of the German people.

Belfast, April 3: — At the anti-home-rule meeting held here yesterday, Lord Banbury said: "We assess rifles but we are in want of funds to sustain with advantage a campaign against Home Rule." A ladstone was threatened and actually insulted by several of the speakers at the meeting.

Marriage: — On the 4th instant, the Civil Registry and at Saint Andrew's Scotch by the Rev. J. W. eming, F. Bruce Percy to Mary an, widow of the late Aldred R. arlin.

## TRIAL OF C. E. MITCHELL

NEW YORK, April 3. Judge Knox has set April 17 as the date of the trial of Mr. Charles Mitchell on charges of income-tax fraud.—(U.P.)

The urgency of the work is serious. In the summertime enormous numbers leave the city for those towns, calle Blandengues, being far too narrow to accommodate the traffic, besides which there are delays at the level crossings. The new road will provide facilities for rapid travelling, with very few crossroads, and those crossing but little traffic; whereby accidents which occur so frequently at the level crossings in the city of the cautious conduct of men in charge will be avoided. It will also connect Buenos Aires with regions that are but little known and will help in decentralizing the city and populating those waste spaces. If the Road Board starts the work at once, people will be able to take advantage of it at the beginning of next spring.—(La Nacion.)

"The Albatross Book of Living Verse." Sent in for review by Mackern's, L. N. Alem 443. Price \$3.00.

IN these days when we are suffering from a glut of books of indifferent material, which are not worth the paper upon which they are printed, it is truly refreshing to acknowledge the appearance of "The Albatross Book of Living Verse."

It is encased in a cover of silvery coloured binding, which glitters almost as iridescently as the gems that are to be found within. They comprise an anthology of English and American poetry from the thirteenth century to the present day, and Mr. Louis Untermeyer, who has edited the work, has performed his task with a choiceness of taste and a sense of discrimination of the highest literary order.

The nature of the title has been as exquisitely chosen, as the order of the contents has been so admirably arranged, and the selections that have been made are "living" poetry in that they possess that quality which implies permanence. They are, furthermore, as is stated in the preface "living" since they contain that vitality which is independent of form and fashion.

The prefatory note also proceeds to point out "That the compilation does not pretend to include all the poetry which is the chief power of English literature. It does, however, aim to present, within the confines of a small volume, such verses as have stirred the imagination of countless readers differing in temperament and traditions, verses whose essential quality is acknowledged by the caught breath and the quickened pulse."

This can well be regarded as the most outstanding work since Sir Arthur Quiller-Couch compiled the "Oxford Book of English Verse" thirty years ago, and is primarily for those who lack either intimacy with the great body of English and American poetry, or immediate leisure to pursue the acquaintance.

Here is a mine of golden poetry, from which the reader can dip his random hand during the priceless moments of pleasant leisure, and abstract at will, the golden argosy of verse that has enriched our world during the last seven hundred years.

Here anonymous versifier and immortal bard tell their stories in the language of the gods, and no one can purchase this rare treasure without appreciating the significance of the words of Humbert Wolfe, the contemporary English poet in which he described what he felt poetry to be.

"Poetry" said Wolfe, when responding to the toast of Poetry, which had been coupled with "Literature" when proposed by G. K. Chesterton at the annual dinner of the Whitefriars' Club in London in 1928, "is that, which being the most pedestrian in us, rises on eagle's wings, and takes its initial flight into immortality." W. O'B. R.

## LOAYZA'S COME BACK

## EDDIE SHAPIRO BEATEN.

NEW YORK, April 3. Stanislaus Loayza launched a successful come-back to-night by winning the decision in an eight-round contest with Eddie Shapiro, of New York.—(U.P.)



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No. 22,614. (10 pages.) Buenos Aires, Monday, April 3rd, 1933. Price 10 cents. — Seventy Second Year.

## ARGENTINA'S FINANCIAL PROBLEMS AND THEIR CURE

### SIR OTTO NIEMEYER'S REPORT PUBLISHED

#### NEED FOR A CENTRAL BANKING INSTITUTION

##### THE TEACHINGS OF THE PAST

The report presented by Sir Otto Niemeyer, which has been awaited with no little anxiety during the past few days, was finally issued to the press yesterday, and is given in full herewith. The document is one of great interest, containing the fruits of several months of long and conscientious labour on the part of Sir Otto and his staff. After making a concise and minute study of Argentina's financial situation, and the many problems to be solved, the report goes on to enumerate the measures which the great financial experience possessed by Sir Otto leads him to suggest. The distinguished financier has now completed his task and it rests with the Government of Argentina to turn his labours to good account. The report is as follows:—

1. When I was invited to visit the Argentine, the main question on which I was asked to express an opinion was the Argentine banking system.

A system of banking, if it is to work smoothly and economically, must be adapted to the economic organization of the country in which it functions. Now the most obvious and important characteristic of Argentine economic life is the degree of its dependence on export trade in primary goods. In this respect the Argentine strongly resembles Australia and New Zealand and differs from the more thickly populated and industrialized countries of Europe and North America. Two-thirds of its total production consists of agricultural and pastoral products, and of these in turn two-thirds are exported. Of quasi-industrial activities, the most important are those directed to working up agricultural and pastoral produce, (such as flour milling, freezing and packing); and of the other branches of economic activity, the most important (commerce, banking and transport), are mainly engaged in facilitating the movement of exports and of the imports to which these exports give rise. The whole rhythm of economic life is set by the export trade. Every Argentine statistic, old or recent, enforces this conclusion.

2. The predominantly agricultural and pastoral origin (95 per cent) of Argentine exports inevitably leads to great fluctuations. Exports of this character are liable to special oscillations in value because (a) they are much affected by seasonal variations in the weather and in other natural conditions, and (b) the demand which they supply is (relatively to that for manufacturing products) inelastic. A variation as large as 30 per cent upwards and downwards successively has in fact occurred within the last 10 years. The economic system in the Argentine is thus exposed to strains greater than those experienced in countries of more diversified structure.

3. So fluctuating a base presents a special problem to the credit institutions of a country. Banks are highly responsive to the changes in the demand made upon them by industry and commerce, and if no central control is exercised to round off the variations, the fluctuations arising from general causes tend to be further intensified alternately by violent inflation and by violent contraction of bank credit.

4. In the Argentine there is no central or co-ordinated control of banking; and the monetary system of the country as established by laws 2741 and 3371 (when functioning and not interrupted by emergency legislation) tends to encourage rather than to damp down alternate expansion and contraction. In theory, the volume of currency is regulated not by the deliberate policy of a Central Bank but automatically by the influx and efflux of gold at the Caja de Conversion. Such gold can only be acquired over the exchange either by direct purchase or more usually as the result of the natural flow of gold in settlement of a favourable balance of payments. Indeed, the object of the system was by adjusting automatically the volume of internal cash to changes in the balance of payments to ensure that cash would only expand when exports expanded and would contract when exports fell off.

It may be doubted whether any country subject to such large natural fluctuations in economic activity as the Argentine could support for long no direct and artificial automatic link of the supply of currency with the balance of external payments. While some link is fundamental, too tight a link will break from its own want of elasticity.

5. In practice, however, the system does not operate as 40 years ago it was conceived to do. For the means of payment at the disposal of industry now depend not merely upon the quantity of notes supplied by the Caja de Conversion, but more substantially upon the loans and advances given by the banks on the basis of their own cash reserves. These have not in fact been regulated in proportion to the gold reserve of the country. On the contrary the banks have frequently seen their reserve accumulate when gold was flowing into the country and fall when gold was flowing out. The Caja de Conversion on the other hand (like its predecessors) has usually ceased to function as soon as there arose the emergency—an external drain of gold from the country—which it was designed to meet. In recent years, particularly, the automatic working of the Caja has not been allowed to have its full effect, the absence of any elasticity in the monetary system being partially made good by the action of individual banks, especially of the Banco de la Nacion. In 1926, with an adverse trade balance, the banks' cash reserves were only slightly reduced and the Banco de la Nacion extended its loans. In 1927 a large favourable trade balance led to an influx of 250 millions of gold, but the greater part of this went to increase bank reserves and bank loans contracted. In 1928, with an even greater favourable trade balance, the Bank reserves again increased. In 1929 when the balance of trade fell to 208 million and there was an efflux of gold and a reduction of bank reserves, bank loans further increased by 218 millions. In 1930 the same process occurred. Finally, in 1931, though the trade balance was favourable again by 234 millions, 230 millions of gold was exported and the total volume of money did not change. I do not here criticize these movements; I merely point out that they were entirely inconsistent with the theory on which the Caja de Conversion was based. The banks in fact neutralized the fluctuations in the balance of external credit: first, when the balance was favourable, by preventing the influx of gold from having its normal effect on credit supplies; and later when the balance became unfavourable by stifling the gold in their own possession to meet external claims and expanding loans as cash resources declined.

6. Another very important influence in the same period was the volume of foreign loans, which maintained from 1923 onwards an artificially high figure of imports, for which Argentina was not really paying. The immediate internal effect of these loans was similar to a real increase in exports, increasing spending and therefore stimulating activity in the Argentine. Banks could expand credit and thus raise or maintain internal prices and stimulate further activity. This inflationary movement culminated in the cause which gave it its original impulse and sustenance. Its dangers were revealed when foreign loans abruptly ceased, as sooner or later they were bound to do. The banking system, which had in some measure anticipated the strain which would be put upon its resources when large exports gave place to poor exports, was unable to face the further strain imposed by an artificially too-heavy structure. Hence further violent fluctuations, and enforced exchange control.

### ALL DRESSED, AND READY!



The Argentine training ship, Presidente Sarmiento, photographed in the New Port shortly before she sailed on her thirty-third voyage.

#### U. S. DIPLOMATIC CHANGES

##### New Ambassadors to Sail

REPORTED APPOINTMENT OF MISS OWEN

WASHINGTON, April 2 (H.). In has been officially announced that Messrs Strauss, Bingham and Daniels, the recently appointed United States Ambassadors to Paris, London and Mexico, respectively, will leave New York shortly in order to take up their posts.

It is also believed that Mr. James Cox, who it will be recalled was the Democratic candidate for the Presidency during the 1920 election, will be appointed Ambassador in Berlin. Similarly it is considered almost certain that Miss Ruth Bryan Owen, former Florida member of the House of Representatives will be appointed United States Minister in Copenhagen. Should this prove a fact, she will be the first woman to occupy such a high post in the U. S. diplomatic service.

President Roosevelt has appointed Mr. S. Welles, advisor to the Secretary of State, in connection with South American affairs, and has been entrusted with the control of that section of the Department. It will be recalled that Mr. Welles occupied a similar position in President Wilson's Administration.

In this connection, it is rumored in official circles that the former head of the South American Department of State, Mr. Frederic White, will be appointed United States Ambassador to Cuba.

#### "RANJI" PASSES OVER

##### Famous Cricketer's Death

NEW DELHI, April 2 (H.). The death occurred suddenly here today of Kumar Shri Ranji, the Jamuna Nawab.

"Ranji," as he was popularly known, was at the time the idol of English cricket and rendered splendid service in test matches against Australia some thirty years ago. He was educated at Balkum College, India, and graduated at Cambridge where he was awarded his cricket blue in 1893. For a number of seasons he turned out for Sussex. "Ranji" was born on September 10, 1872, and was consequently 60 years of age.

His nephew, K. S. Duleepshahi, was a member of the M.C.C. team that recently visited Australia.

#### HITLER BURNED IN EFFIGY

##### Protest Meeting in Hyde Park

EXTRAORDINARY POLICE PRECAUTIONS

LONDON, April 2 (H.). The police authorities placed a special guard outside the building of the German Embassy today, as a precautionary measure against any demonstration being made against the Embassy, after the great protest meeting that was held in Hyde Park, this afternoon.

The protest meeting, which was organized by the Communist and Labour parties, in protest against the policy being followed by the Nazi Government in Germany, and to demand the liberty of all German political prisoners, and the freedom of the Press, was attended by over 40,000 people.

One of the Communist columns, which left the West End, carried a wooden figure, representing the German Chancellor, Herr Hitler, which on their arrival at Hyde Park, they solemnly burnt.

Thanks, however, to the extraordinary precautions taken by the London police, over 1,000 constables being on duty, the demonstration was carried out in perfect order, and not one single incident occurred during the whole afternoon, nor were the police forced to make one arrest.

### JAPAN AND PUBLIC SENTIMENT IN AMERICA

#### M. MATSUOKA ON FAR EASTERN PROBLEMS

##### "CHINESE CAN ONLY UNDERSTAND FORCE"

NEW YORK, April 2 (H.). In today's issue "The New York Times" has published an interesting statement given out by the former Japanese delegate before the League of Nations, M. Matsuoka, who is at present visiting the United States, while on his return journey to Tokyo, in connection with the Japanese Government's decision to withdraw from the League of Nations, and their attitude regarding the Manchurian question.

After recognising the fact that public sentiment in the United States is against Japan, and that there is always a certain lack of confidence in their dealings, M. Matsuoka declared that he personally felt a great sympathy and interest in the League, and sincerely deplored that Japan partly through her own errors, and partly through those of the League, had been forced to withdraw. "What is more deplorable still, is the fact that the divergence of views between Japan and the League has been brought about by the latter's absolute lack of knowledge regarding the situation in the Far East which led to the Assembly accepting the Lytton Report, especially in the part which recommended the creation of an International Commission to co-operate in the internal reorganisation of China, while we with our greater knowledge of the facts have always been absolutely convinced that the state of affairs in China is such that it is beyond the help of such an Institution as the League of Nations, and that force, and force only, is capable of bringing about the desired reorganisation, as in the end it is the only thing which the Chinese can understand."

Going back into the history of China, M. Matsuoka pointed out that a state of chaos had existed there, and recalled the fact that less than six years ago, an attack had been carried out against the United States Consulate, adding: "In what other nation in the whole World, had it ever been necessary to maintain armed guards, and warships, to protect the diplomatic representatives?"

"You yourselves maintain armed forces in Chinese territory, and have constantly had warships on the Chinese rivers for the last 33 years, and I would stress the extraordinary fact that for every United States trader in China, there are two United States soldiers, and this proportion on certain occasions has even been five to one, and I think you will agree with me that it is an extraordinary situation which calls for two soldiers to protect the interests of one merchant, and what is more extraordinary still to expect this class of operation to show a profit to the Nations concerned."

Referring to the commercial relations between the United States and Japan, M. Matsuoka declared, that despite the lack of confidence between the two Governments, the merchants had always been on very friendly terms, and to Great Britain, with the exception of Great Britain, was the United States' best customer, American exports to Japan alone, exceeded the total exports to all other Far Eastern countries, including the Philippine Islands.

Japan had no intention of attempting to close the doors of China's trade to the United States, neither those of her own markets, and a moment's thought would show that Japan lacked the means to do the former, while it would be against her own interests to do the latter, if only due to the fact that the United States was one of the most important consumers of Japanese manufactured products.

After declaring that Japan had no intention of ever going to war with the United States, M. Matsuoka reproached the United States authorities, and general public, for their prejudice in favour of China, which had induced the Government of the United States to take a stand in respect to the Far Eastern problems, which was contrary to the general principles of the United States' foreign policy.

"The United States has slowly but surely adopted a policy of protection towards China, and similarly developed a feeling of mistrust towards Japan. On the other hand, it should be recalled that the Government of the United States did not protest against the events that took place in China during 1928, neither did it attach any importance to the annexation of part of Mongolia by the Soviets; but have always insisted on applying their new doctrine of protection, initiated by Mr. Stimson, in connection with anything relating to Manchuria."

M. Matsuoka ended by stating: "Japan's course of action in Manchuria has always been logical, and if considered in its true light is a

A RUMOUR  
LONDON, April 2 (H.). A report has been received from a Soviet source to the effect that the personnel of the British Embassy in Moscow are making preparations to abandon Russia.

In semi-official circles here, however, it is declared that the British Government has not even considered taking such a step, and that the report lacks any foundation.

#### THE HOLY YEAR CELEBRATIONS

##### Pope Receives Faithful

500,000 PEOPLE VISIT CHURCHES

VATICAN CITY, April 2 (H.). Following the ceremonies held in connection with the opening of the Holy Door of St. Peter's by His Holiness the Pope, Pius XI, which took place yesterday, thus inaugurating the Extraordinary Holy Year of 1933, huge crowds continued to visit the Churches Saint Peter, Saint Paul, Saint Mary and Saint John, in which the ceremonies had been held, it being calculated that over 500,000 people have visited the Churches, during the last two days.

His Holiness the Pope, who did appear to be tired after yesterday's long ceremonies, received during the afternoon in the Court of Saint Demasius over 3,000 devotees, the majority of whom had come in from the Italian Province in order to render their homage to His Holiness, who was also the recipient of thousands of illuminated addresses.

Later in the afternoon, the Pope received Cardinal Schuster, in the Ducal Hall, together with the Swiss pilgrims, for whom special arrangements had been made.





## RACING AT PALERMO

## GILBERTO LERENA CLASSIC

There was a bumper meeting at Palermo, no doubt to the early days of the month. Curiously enough the last favourites to win were very much neglected by the journalists. Only one gave one and the other three.

The race for the prize for the Gilberto Lerena classic was a match between the two horses, Fe Ciega and Rudeza. The winner turned up in Rudeza, which had only to beat a hack to be a good horse. What he may do later depends on whether he comes back to form again but he is not the horse he was.

PREMIO NOTA ALEGRE  
1500 Metres

Aringo, Mejico, Militante, and Milagro were the order after the start. They came into the straight in this form but immediately afterwards Romerillo and Waler, joined the finish with the result that Romerillo was in front followed by Waler, Milagro was third and Militante fourth.

PREMIO PETHY  
1000 Metres

Bolivia, Manganeta, Moneda de Oro, Cloris were the first to show up from the start. At the finish Nostalgia went to the front follow-

PREMIO BIZANTINA  
2200 Metres

Codihue was favourite and he won like a good horse. Farruca, Codihue, Comandante, Groom, Infel and Dignatario was the order but almost immediately Farruca, Comandante and Groom was the order but once Leguisamo was in the straight and although Codihue got bumped by Dignatario he levelled up and won easily from Groom, Infel and Dignatario.

GILBERTO LERENA CLASSIC  
1600 Metres

There was some doubt as if Fe Ciega was to be favourite but

and nothing could get near her at the finish. She paid well \$26.90 per ticket.

PREMIO PILCA  
1600 Metres

Gran Vista and Nene were the two favourites. Leguisamo won his second race easily. Nene, Trafal, Mar Baltico, Gran Vista, Barvitz and All Steel was the order. Nene seemed to have the race well in hand but Gran Vista put in a splendid race and without enemies. Nene was second, All Steel third and Trafal fourth.

PREMIO COTE D'OR  
2000 Metres

The race was reduced to six competitors and much to surprise of the public Marmilton was a red hot favourite. Fatai, Puro Habano, Marmito, Jacuru, Dalmata and Rosil was the order after the start. They came into the straight in that order and it was here Marmilton made his bid for victory. He got ahead of Puro Habano and thereafter went on to win by a length. Puro Habano who put up a splendid race, giving 10 kilos to the winner. Jacura was third and Rosil fourth.

Won by 1 1/2 length.  
Time: 59" 2/5.

PREMIO HILL  
1200 Metres

Prizes: \$4500 to the first; 450 to the second; 225 to the third.

1 NEW DREAM 55	11625	5011
2 Cloral 55, M. Robles	2920	1794
3 Aretino 55, G. Benvenutti	18063	6410
4 Moquehua 55, J. Garrido	9494	4966
5 Babero 55, J. So-	5761	3332
6 Sobrino 55, A. Garcia	4687	2645
7 Conqueror 55, F. Deleutraz	545	348
8 Insular 55, M. Acosta	3147	2192
9 Yatai 55, A. Lofie-	519	333
10 Le Flirt 55, P. Costa	1609	1052
11 Batacazo 55, E. Le-	3271	2031
12 Last Pet 55, E. Gre-	508	291
13 Fox Trot 53, F. Moreira	715	610

Scratched: Novio and Matayuyos.  
Dividends: New Dream, \$9.70 and 3.90; Cloral, 7.40; Aretino, 3.50.  
Won by a head.  
Time: 1'13" 3/5.

PREMIO BIZANTINA  
2200 Metres

Prizes: \$4000 to the first; 400 to the second; 200 to the third.		
1 CODIHUE 54 ks.	27514	5793
2 Groom 52, L. P. Menini	2673	1292
3 Infel 52, J. Canal	21972	5954
4 Dignatario 53, T. Albertini	2113	935
5 Comandante 54, G. Gil	8536	3631
6 Farruca 50, P. Fal-	1333	716

Scratched: Nilo.  
Dividends: Codihue, \$4.10 and 3.60; Groom, \$9.20.  
Won by 1 1/4 lengths.  
Time: 2'17" 3/5.

PREMIO GILBERTO LERENA  
1600 Metres

Prizes: \$3000 to the first; 1800 to the second; 900 to the third.		
1 RUDEZA 55 ks.	17745	
2 Fe Ciega 55, O. Solari	17182	
3 Murala 50, E. Antunez	8436	
4 Dignatario 53, T. Albertini	43363	
5 Groom 52, L. P. Menini	2673	1292
6 Infel 52, J. Canal	21972	5954
7 Conqueror 55, F. Deleutraz	545	348
8 Insular 55, M. Acosta	3147	2192
9 Yatai 55, A. Lofie-	519	333
10 Le Flirt 55, P. Costa	1609	1052
11 Batacazo 55, E. Le-	3271	2031
12 Last Pet 55, E. Gre-	508	291
13 Fox Trot 53, F. Moreira	715	610

PREMIO NONSERGA  
1100 Metres

Prizes: \$4500 to the first; 450 to the second; 225 to the third.		
1 MACORRA 56 ks.	938	651
2 Guayra 53, A. Garcia	5297	3057
3 Conjetura 56, R. Gonzalez	7399	4150
4 Brujula 52, T. Albertini	15090	6516
5 Pervenche 56, F. Deleutraz	342	141
6 Cruz de Malta 56, E. Antunez	9217	4203
7 Migata 56, M. Acosta	3025	1965
8 Carta Orden 54, J. Chavarri	648	517
9 Rosa Blanca 56, J. Ausbruch	1962	1305
10 Mirella 53, A. Morales	689	567
11 Mudela 53, P. Puclneri	755	607
12 Bamporosa 54, F. Moreira	3250	1875
13 Misladura 53, M. Gongora	488	446
14 Iron 56, J. Sola	1447	857
15 Alta Gracia 56, I. Leguisamo	2302	1638
16 Icatu 53, M. Gil	2308	1455
17 Patotera 52, A. Pe-	882	623
18 Avila 53, A. Lofie-	6900	2860
19 Batacazo 55, E. Le-	3271	2031
20 Last Pet 55, E. Gre-	508	291
21 Fox Trot 53, F. Moreira	715	610

PREMIO PETHY  
1000 Metres

Prizes: \$4500 to the first; 450 to the second; 225 to the third.		
1 NOSTALGIA 55 ks.	6084	2980
2 Cloris 54, T. Albertini	8282	3605
3 Portiada 55, J. Ausbruch	6895	3092
4 Cloris 54, T. Albertini	3695	2419
5 Old Girl 53, F. Moreira	1854	1133
6 Bolivia 55, F. R. Quintaros	3109	1810
7 Roela 55, F. Rocco	1385	961
8 Manganeta 55, E. Lema	6280	2738
9 Mandioca 55, E. Gre-	3595	2035
10 Groom 52, L. P. Menini	2673	1292
11 Infel 52, J. Canal	21972	5954
12 Dignatario 53, T. Albertini	2113	935
13 Comandante 54, G. Gil	8536	3631
14 Farruca 50, P. Fal-	1333	716

Scratched: Campero.  
Dividends: Nostalgia, \$28.10 and 7.10; Waler, 6.10; Milagro, 3.80.  
Won by 3/4 length.  
Time: 1'32" 3/5.

Dividends: Nostalgia, \$12.10 and 4.; M. de Oro, 3.60; Portiada, 3.90.

## THE LOSERS

What would they have paid

Muy Celoso	\$ 16.10
Tierno	1339.69
Mejico	608.—
Waler	26.90
Goko	10.10
Feijo	942.10
Olvido	38.20
Militante	17.80
Selecto	34.35
Gruñon	151.67
Milagro	7.70
Bisieto	13.80

## SECOND RACE

Bolivia	\$ 23.89
Cloris	20.—
Portiada	10.73
Roela	53.50
Manganeta	11.80
Old Girl	39.90
Moneda de Oro	8.90
Mandioca	20.60

## THIRD RACE

Conqueror	\$ 207.60
Insular	35.90
Moquehua	11.90
Babero	19.60
Yatai	218.60
Sobrin	24.10
Le Flirt	70.39
Aretino	6.20
Batacazo	34.50
Last Pet	222.70
Cloral	38.70
Fox Trot	158.20

## FOURTH RACE

Dignatario	\$ 54.60
Comandante	13.50
Groom	43.10
Infel	5.20
Farruca	86.63

## FIFTH RACE

Fe Ciega	\$ 4.50
Murala	9.20

## SIXTH RACE

Trascendencia	\$ 358.30
C. de Malta	13.20
Migata	40.50
Carta Orden	189.10
Rosa Blanca	62.40
Mirella	177.80
Mudela	161.60
Bamporosa	31.80
Misladura	251.10
Iron	84.70
Conjetura	23.10
Alta Gracia	58.20
Pervenche	8.10
Icatu	53.10
Guayra	130.60
Brujula	16.50
Patotera	138.90
Avila	17.70

## SEVENTH RACE

Retirada	\$ 38.60
Barny	24.40
Trafal	93.50
Mar Baltico	31.50
Nene	6.30
All Steel	13.20

## EIGHTH RACE

Puro Habano	\$ 11.70
Rosil	22.70
Fatai	22.90
Jacuru	6.—
Dalmata	214.60

PREMIO PILCA  
1600 Metres

Prizes: \$4500 to the first; 450 to the second; 225 to the third.		
1 GRAN VISTA 53	30986	6738
2 Nene 47, A. Vidal	22981	6842
3 All Steel 46, P. Fal-	11007	3385
4 Trafal 52, A. Pe-	1556	715
5 Retirada 57, O. Ruiz	3769	1170
6 Mar Baltico 50, E. Orduna	4621	1252

Scratched: Lagarta.  
Dividends: Gran Vista, \$4.60 and 2.90; Nene, 2.90.  
Won by 1/2 length.  
Time: 1'37" 1/5.

PREMIO COTE D'OR  
2000 Metres

Prizes: \$4500 to the first; 450 to the second; 225 to the third.		
1 MARMITON 50 ks.	36826	7012
2 Puro Habano 60, A. Perez	14729	2721
3 Jacuru 46, P. F. Falcon	28586	5068
4 Rosil 54, A. Lofie-	7621	1790
5 Fatai 53, J. Sola	7554	2032
6 Dalmata 44, R. Vazquez	806	402

Scratched: Lagarta.  
Dividends: Gran Vista, \$4.60 and 2.90; Nene, 2.90.  
Won by 1/2 length.  
Time: 1'37" 1/5.

PREMIO GILBERTO LERENA  
1600 Metres

Prizes: \$3000 to the first; 1800 to the second; 900 to the third.		
1 RUDEZA 55 ks.	17745	
2 Fe Ciega 55, O. Solari	17182	
3 Murala 50, E. Antunez	8436	
4 Dignatario 53, T. Albertini	43363	
5 Groom 52, L. P. Menini	2673	1292
6 Infel 52, J. Canal	21972	5954
7 Conqueror 55, F. Deleutraz	545	348
8 Insular 55, M. Acosta	3147	2192
9 Yatai 55, A. Lofie-	519	333
10 Le Flirt 55, P. Costa	1609	1052
11 Batacazo 55, E. Le-	3271	2031
12 Last Pet 55, E. Gre-	508	291
13 Fox Trot 53, F. Moreira	715	610

PREMIO NONSERGA  
1100 Metres

Prizes: \$4500 to the first; 450 to the second; 225 to the third.		
1 MACORRA 56 ks.	938	651
2 Guayra 53, A. Garcia	5297	3057
3 Conjetura 56, R. Gonzalez	7399	4150
4 Brujula 52, T. Albertini	15090	6516
5 Pervenche 56, F. Deleutraz	342	141
6 Cruz de Malta 56, E. Antunez	9217	4203
7 Migata 56, M. Acosta	3025	1965
8 Carta Orden 54, J. Chavarri	648	517
9 Rosa Blanca 56, J. Ausbruch	1962	1305
10 Mirella 53, A. Morales	689	567
11 Mudela 53, P. Puclneri	755	607
12 Bamporosa 54, F. Moreira	3250	1875
13 Misladura 53, M. Gongora	488	446
14 Iron 56, J. Sola	1447	857
15 Alta Gracia 56, I. Leguisamo	2302	1638
16 Icatu 53, M. Gil	2308	1455
17 Patotera 52, A. Pe-	882	623
18 Avila 53, A. Lofie-	6900	2860
19 Batacazo 55, E. Le-	3271	2031
20 Last Pet 55, E. Gre-	508	291
21 Fox Trot 53, F. Moreira	715	610

Scratched: Merced and Alcala.  
Dividends: Macorra, \$26.90 and 8.60; Guayra, 28.60; Conjetura, 7.70.  
Won by 1 1/2 lengths.  
Time: 1'6" 1/5.

Work - worn  
and Weary!

Now for  
a freshening  
wash with  
Lifebuoy

Lifebuoy Soap is associated with the promotion of all that is clean and healthy. It is the bathroom associate of those who are fit. In destroying the germs and microbes of disease while it cleanses and refreshes, Lifebuoy Soap strives for the full development of Health. Like the playing field, Lifebuoy Soap offers an opportunity for greater health. Both young and old can enjoy its use.

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35 ctvs.  
a packet  
**SALVAVIDA**

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## RACING AT ROSARIO

FIRST RACE  
1700 Metres

1. RULO 56 ks., by Inspector and Rumba, of the stud Principe, F. Brazuma, \$9.	
2. Misterioso 54, T. N. Fernandez.	
3. Rumboso 56, J. Vara.	
Scratched: Rapido, Balazo and Presuntuoso.	
Won by 1 1/2 lengths. Time: 1'48".	

SECOND RACE  
1000 Metres

1. MATASIEPE 55 ks., by Loheno and Monica, of the stud J. Ghigliotti, J. H. Castro, \$4.60 and 3.10.	
2. Speed King 55, M. Artigas, \$3.50.	
3. Impar 53, J. Mernica.	
4. Tarjadora 53, H. Gomez.	
Also ran: Delfin, Lechuza.	
Scratched: Fantasma.	
Won by 1 length. Time: 1'11" 1/5.	

THIRD RACE  
1300 Metres

1. MANIA 56 ks., by Biscotin and Mucama, of the stud Juan Rodriguez, E. Medina, \$43.30 and 7.20.	
2. Saratoga 56, M. Artigas, \$4.30.	
3. Musical 56, R. Garcia, \$2.90.	
4. The Marvel 56, R. Moyano.	
Also ran: Atea, Doña Javiera, Doña Juanita, Rancheria.	
Scratched: Fantasma.	
Won by 1 1/2 lengths. Time: 1'21" 2/5.	

FOURTH RACE  
1200 Metres

1. MECHON 56 ks., by Biscotin and Miente Nada, of the stud M. Mave, R. Martin, \$12.90 and 4.70.	
2. Angeles 56, A. J. Orbea, \$7.70.	
3. Libro 56, \$5.30.	
4. Litigante 56, J. Cerecetto.	
Also ran: Chica, Chicho, Elector, Legerdemal, Lidiador, Pingo and Talarico.	
Won by 1 1/4 lengths. Time: 1'15".	

FIFTH RACE  
1700 Metres

1. MESADA 47 ks., by Cad and Merisette, of the stud Elena, J. Merniers, \$19.20 and 4.60.	
2. Querubin 53, R. Martin, \$3.40.	
3. Especial 57, M. Artigas, 6.20.	
4. Guerrillero 60, L. Calcano.	
Also ran: Rusito, Tucumano, Flisco, Carcelario, Segui, Tronadora.	
Scratched: Tranquillo II, Lagrimoso, Lavalle and Don Manuel.	
Won by 1 1/2 neck. Time: 1'45".	

SIXTH RACE  
1400 Metres

1. FORERUNNER, 50 ks., by Fonsator and La Yeguecita, of the stud 2 de Febrero, R. Moyano, \$2.80 and 2.20.	
2. Fuste 50, R. Martin, \$2.60.	
3. Lero 47, V. Cucaro, \$3.40.	
4. Casco de Plata 48, F. Colten.	
Also ran: Thunderer, Goyena, Bochinchevo, Lycan.	
Scratched: Nighty, Siegfried, Mangota, Monton, Rinconera and Violon.	
Won by 2 lengths. Time: 1'26".	



# SIR OTTO NIEMEYER'S REPORT

(Continued from page 1)

7. Had the foreign loans been applied exclusively to capital objects that rapidly increased the effective capacity of the country and produced commodities saleable abroad, they might have sufficiently increased real wealth to provide increased exports; but as they were mainly used to meet current administrative expenses or were applied to capital objects only remotely productive of goods for export, they only increased, without steadying, the fluctuation. Had increased expenditure by public authorities been met in times of prosperity by increased revenue, it would at least have involved no intensification of the problem. As however in fact this increased expenditure was met both by foreign borrowing and by increasing internal floating debt, a further addition was made by inflation to the accumulating bias towards severe fluctuations.

8. The figures of the Federal Government's debt (though far from exhibiting the total borrowings of Argentine public authorities) are symptomatic.

## FEDERAL GOVERNMENT DEBT

(in millions of paper pesos at par)

Year	Total external debt	Increase or decrease on previous years	Total debt (Internal and external)	Increase or decrease on previous years
1920	556.8		1939.8	
1921	571.0	+ 25.8	2023.0	+ 83.2
1922	535.7	- 35.3	2187.7	+ 164.7
1923	539.2	+ 3.5	2190.4	+ 2.7
1924	637.4	+ 98.2	2270.4	+ 80.0
1925	838.2	+ 145.8	2239.2	- 41.2
1926	888.4	+ 55.2	2355.1	+ 125.9
1927	1103.8	+ 215.4	2603.9	+ 248.8
1928	1111.8	+ 8.0	2914.0	+ 310.1
1929	1071.4	- 40.4	3108.2	+ 194.2
1930	1035.0	- 36.4	3403.6	+ 295.4
1931	994.2	- 40.8	3666.0	+ 262.4
1932	942.8	- 51.5	3639.9	- 26.1

9. It would not be reasonable to suppose that any organisation in a single country could eliminate all causes of fluctuation in an interdependent world; but it is clear that either the existing banking machinery nor the existing practice with regard to foreign loans is sufficiently organised for the particular conditions which have to be faced in the Argentine.

10. In order to remedy this situation I recommend that immediate steps should be taken to co-ordinate banking organisation by establishing a Central Reserve Bank combined with parallel legislation on certain aspects of banking generally. I have thought it convenient in order to avoid unduly lengthy exposition and to present my suggestions in a concrete form, to put the substance of my detailed recommendations in the form of draft laws (Projects I and II). In so doing I wish to express my indebtedness to various Projects which have been already published in the Argentine from which I have derived considerable assistance.

11. A Central Banking system can obviously not be completely effective unless and until there is a free foreign exchange based on a legal fixed parity for the national currency, to the eventual achievement of which all efforts must be directed. I do not, however, think it is possible at the present moment and in the existing confusion of most of the leading currencies, to take any definite decision as to the future value or even the future basis of the peso. I should contemplate, therefore, that this question must be regulated later, when it has been possible to abolish exchange control, by a new Monetary Law. But that is no reason for not proceeding at once to the establishment of a Central Bank; rather the contrary, since not only do the difficulties of the intervening period demand coordinated guidance, but the Reserve Bank would in itself be a valuable means of arriving at a stable currency and a valuable adviser on the moment and figure of stabilisation. With this object the proposed Statutes of the Reserve Bank have been so drafted as to cover various possible eventualities without prejudicing the ultimate decision in either sense, and to indicate a series of stages for the gradual achievement of a full and mature Reserve banking system, into which the existing banking machinery would be closely interwoven.

12. The main features of the scheme may be summarised quite shortly: there should be a Central Reserve Bank which would absorb the functions of the Caja de Conversion, the Redemptio Commission and the Exchange Control Commission; would have the sole right to issue Notes; would hold the ultimate reserves of the deposit banks and the Government balances; and would be responsible for the banking business connected with the issue and payment of Government loans. The Reserve Bank would be limited in the main to rediscount business subject to proper safeguards and would, except within specific narrow limits, be forbidden to make advances to public authorities or to immobilise its funds. In order to enable the Banks to contribute to this scheme as shareholders and depositors the Government would repay part of the existing internal debt; the Government would also make certain minor adjustments in the currency system such as the substitution of subsidiary coin for the smaller denominations of notes. Various transitory provisions would cover the period which must elapse before a final stabilisation of the peso can be formulated in a definite Monetary Law.

13. Inevitably many different opinions can legitimately be held on numerous points of general theory or specific detail, on which it has been necessary to come to a decision in order to reach a con-

crete plan. I believe the plan suggested avoids extremes and adventures, and represents a balanced solution which can be expected to work in practice. I need hardly emphasise that it is an interconnected whole, which cannot be substantially modified in its component parts without endangering the whole structure.

14. This scheme requires for its success the fulfilment of certain general presuppositions. It is essential that the Reserve Bank should be independent of undue or sectional influences; and that as it will hold the ultimate financial reserves of the country, its operations should be conducted with a special regard to the liquidity of its assets. The Reserve Bank must therefore be protected both by its Statutes and by general opinion from undue immobilisation and must not enter into many forms of activity, which may be perfectly proper for ordinary commercial banks with lesser responsibilities. Not only must the Reserve Bank aim at liquidity in its actual operations, but if the

Bank is effectively to serve the country by rediscounting and by maintaining a relative stability of values its original holdings of Government debt should be reduced. The draft indicates certain methods by which this may ultimately be achieved. Federal Government indebtedness to the Banco de la Nacion is also heavy and there are moreover certain outstanding questions connected with this matter. I recommend that these should be settled by joint agreement with the Banco de la Nacion as soon as possible. With the foundation of a Central Reserve Bank the need for the Conversion Fund will no longer exist and such assets as the Fund now possesses might be used to cancel a part of the Federal Government debt to the Banco de la Nacion. The remaining indebtedness should then be consolidated in one amount and annual provision made in the budget for its complete amortization over a period of years.

15. It may be thought that an absolute limit should be placed upon the issue of notes. A maximum of this sort, provided it is not so high as never to be effective, may seem the simplest safeguard against inflation. But such a maximum is not very likely to work satisfactorily in practice. The appropriate and only reliable safeguard against inflation is the control of the volume of credit by the Central Bank, for which the recommendations of this Report provide. It may, however, be well to point out that the existing note issue is more than sufficient to meet any demands for currency; is perhaps the volume of bank clearings; a comparison between this and the volume of notes outstanding is made in the following table:

(In millions of paper pesos)  
Total Bank Clearings: 1928, 48,445; 1929, 49,003; 1930, 42,305; 1931, 37,580; 1932, 29,711; 1933, 1932 o/o decline, 38.7.

Notes outstanding at end of year: 1928, 1,406; 1929, 1,427; 1930, 1,261; 1931, 1,245; 1932, 1,339; 1933, 1932 o/o decline, 4.8.

It will be seen that, while Bank Clearings declined 38.7 o/o, the volume of notes outstanding declined 4.8 o/o. A comparison with other indices of economic activity, such as the volume of crops, exports and imports, or prices, would show a similar relation. There are enough notes outstanding to support a level of prices much higher and a volume of trade activity much greater than the present.

16. Further, it is desirable, in order to strengthen the internal market, that Federal Government internal loans should not be raised independently and often in competition by different Government departments or agencies. All such issues should be concentrated in the hands of the Ministry of Finance which should employ the Reserve Bank as its agent and adviser in placing its loans, and in so far as the proceeds are ultimately required by different Government Departments distribute them accordingly. It will never be possible to control the internal capital market to the best advantage of the State and obtain unobjectionable loans on the most remunerative terms so long as there is no unity of action by the various borrowing authorities. Nor will it be possible for the Reserve Bank to perform its mission unless issues of Government loans are closely coordinated among themselves and with general banking policy.

17. A further point of primordial importance, in view of the duty of the Reserve Bank to maintain the exchange value of the peso, is that it should be consulted by the Government in regard to all external loans. For that purpose the Federal Government's assent should be required for any foreign borrowing by Argentine Public authorities, provincial or municipal. Such

authorities have no doubt an independent right to borrow in general, but it cannot have been intended that the exercise of this right in the form of foreign commitments should infringe the responsibility of the Federal Government (or its agent) for the note issue and for the value of the national currency. The danger to the currency of foreign loans which fail to produce or stimulate an increase in foreign income has in many countries, even Federal countries, forced the necessity of a central consideration of such issues and the teaching of Argentine history on this point is clear. There is no sufficient reason why Argentine currency should be deprived of an obvious safeguard which is no less in the interests of the borrowing authorities themselves whose Budgets and taxpayers suffer if the exchange they have to pay for costs more pesos by depreciation.

The assent of the Federal Ministry of Finance after consultation with the Reserve Bank which I believe should be required for public external loans, should not imply any guarantee by the Federal Government but merely record that no objection is felt by the central monetary authority to the proposed transaction.

18. It should hardly be necessary to add that, particularly in view of the relatively small capacity of real investors in the Argentine to absorb Government loans, the maintenance of equilibrium in the budget between revenue and expenditure is essential to any attempt to secure monetary stability. It is useless to expect any Banking system to function steadily if it is liable to be diluted by irresponsibly manufactured pieces of paper. The Reserve Bank system proposed provides all the necessary elasticity for genuine currency needs, even in times when the need for currency is greater than it is now; and cannot with impunity be abused by illegitimate demands arising from Budgetary needs and not justified by the actual movement of commodities.

19. It is therefore worth while considering whether further steps should not be taken to consolidate the improvement which has recently been achieved in Argentine financial administration. In what follows I deal rather with question of system than with the merits of particular expenditure or particular taxes, on the principle that the bases of good public finance are unity, clarity and simplicity.

20. In order that the Ministry of Finance, Congress and the public generally may have a clear view of the year's finance, the unity of the Budget should be far more jealously preserved than at present the case. This means that (a) all foreseeable expenditure for the year changeable against revenue should be included in the original Estimates, and that additional expenditure not so provided should not be permitted except in very special circumstances. The ordinary Estimates should be complete; and there should not be any extraordinary expenses outside them. If during the year further expenditure becomes necessary, suitable steps should be taken at once to obtain a supplementary Estimate, on which occasion either fresh revenue should be simultaneously provided, or savings indicated from which the new expenditure is to be met. It should be regarded as a test of a normal Budget that no supplementary estimates are introduced.

(b) The existence of special funds outside the ordinary expenditure Budget should be narrowly restricted. They should only be permitted either where the State is acting as a Trustee (for instance, as the holder of Pension Funds), or where the State holds capital monies, not derived from revenue, earmarked for specific non-budgetary purposes.

A system under which large blocks of expenditure are withdrawn from the general Budget picture and from central examination can only lead to confusion and waste, and is not necessary for the reasonable independence of the actual administration of the sums made available by Congress for specific purposes. It is impossible to secure ordered public finance when autonomous bodies controlling education, roads, railways, pensions and many works services, and the State is asked to contribute to the Finance Estimates for these services should be presented to Congress as part of the ordinary Budget and after the same scrutiny by the central financial authority as any other estimates.

21. Public accounts based on the system of Exercise, particularly if carried to the extent practiced in some recent years in the Argentine, are complicated to administer, easy to misunderstand, and exceedingly likely to endanger the actual cash position of the Treasury. The extent to which accounting figures based on attributions to an Exercise accumulate discrepancies with actual cash can be seen from the arrears amassed from previous years which have recently had to be dealt with in part by the Patriotic Loan. A too complex accounting system defeats its own purpose by being unintelligible to the public and exceedingly belated in producing results—often urgently required for the proper consideration of current financial problems. I should recommend that the Argentine should revert to the system of 'Gestion', based on the allocation to a given financial year of all revenue actually received in cash in that year and all expenditure actually paid in cash in that year, irrespective of the date on which either the receipt was due or the expenditure was payable. Such a change would not merely save the labour wasted in complicated accounting adjustments which, however technically interesting, do nothing to assist the taxpayer, but would also make the accounts clear and concise and prevent a dangerous confusion between the receipts of one



No. 1.—The Fahy Boys and Nationals. No. 3.—Messrs. J. P. Ronan, H. Tasey, T. Lynch, Diego Stanfield, W. A. Scannell, and Andy Hart. No. 2.—Mr. Scally in the act of presenting her son, A. T. Scally, with a gold medal. No. 4.—A group of Irish collectors "snapped by THE STANDARD cameraman.

financial year and the expenditure of another.

22. As a consequence of this change and assisted by the centralisation of Government accounts in the Reserve Bank, it would be possible to effect another very desirable reform, in publishing at frequent regular intervals, say at the end of every month a complete statement showing under the same heads as the Budget the actual progress of current revenue and expenditure compared with the corresponding estimates for the year and the results of the previous year which require deposit Banks to keep certain cash balances with the Reserve Bank and to furnish the Reserve Bank with periodic statements of their operations, it establishing in the interests of banking security a standard level of liquidity in the Banks themselves both by requiring the maintenance of minimum cash balances and by restraining banks which are responsible for deposits entrusted to them by the public from certain operations which are likely to be dangerous to them. Most Banks in the Argentine already in practice observe these or very similar limitations, but it is in the interests both of the public and of the banks themselves established by law to avoid certain risks which may otherwise arise, and which the experience of other countries has recently emphasised. I attach special importance to the audit of the balance sheets and profits and loss accounts of the Banks by qualified professional accountants of independent standing.

23. The general Banking Law (Project III) is supplementary to the Reserve Bank Law, it is apart from those provisions which require deposit Banks to keep certain cash balances with the Reserve Bank and to furnish the Reserve Bank with periodic statements of their operations, it establishing in the interests of banking security a standard level of liquidity in the Banks themselves both by requiring the maintenance of minimum cash balances and by restraining banks which are responsible for deposits entrusted to them by the public from certain operations which are likely to be dangerous to them. Most Banks in the Argentine already in practice observe these or very similar limitations, but it is in the interests both of the public and of the banks themselves established by law to avoid certain risks which may otherwise arise, and which the experience of other countries has recently emphasised. I attach special importance to the audit of the balance sheets and profits and loss accounts of the Banks by qualified professional accountants of independent standing.

24. As stated in paragraph II, I do not think the moment has yet arrived when any recommendation can usefully be made as to the ultimate stabilisation of the peso. The Reserve Bank will naturally consider this question in preparation for the proper moment and can then advise upon it as they may desire before a final Monetary Law is drafted.

25. For the present Exchange Control must clearly continue and I have no special comment to make upon it. It will doubtless be agreed that it is a regrettable necessity and that every effort should be directed both by the Reserve Bank and otherwise to its abolition at the earliest possible moment.

26. I have not thought it useful to enter into a general discussion of the general conditions which underlie the depression from which the Argentine is suffering, in common with all other countries of its economic type, though it is a less marked degree. The decline in the purchasing power of industrial countries due to universal trade depression, the disproportionate fall in the prices of agricultural products, the obstruction of trade by economic nationalism have been expounded recently by so many authoritative bodies that they have become commonplace. These are factors for the most part outside the influence of separate Argentine action, and more appropriate to a World Economic Conference than to an individual investigation. It would have been as easy as it would have been pointless to argue at length that the fortunes of the Argentine are linked with those of the industrialised countries to which she sells her agricultural exports and from which she imports industrial products. I have preferred deliberately to restrict myself to aspects of Argentine finance, public and private that are susceptible to treatment by domestic Argentine action and that can make a contribution to sound economic conditions without waiting for general world recovery.

## LEGAL MEASURES RECOMMENDED.

1. The Executive Power is authorised to appoint an organising Committee which shall be charged with all matters relating to the subscription of shares and the preliminary organisation of a new Bank under the name of the Central Reserve Bank of the Argentine. The Committee shall be presided over by the Minister of Finance and shall consist of one representative each from the Redemptio Commission, the Exchange Control Commission, the Banco de la Nacion, the National Banks, and the Foreign Banks.

The Executive Power shall appoint the first President, Vice President and the remaining members of the first Board of the Central Reserve Bank on the recommendation of the Organising Committee from persons who comply with the provisions of Articles 10, 12 and 16 of the Bank's Statutes.

2. Every National and Foreign bank operating in the Argentine with a paid up capital of not less than \$1 million m.p. shall subscribe at par to the original capital of the Central Reserve Bank in proportion to its paid up capital, provided that the amount subscribed by any individual bank shall not exceed 4 o/o of its paid up capital according to its balance sheet for the month immediately preceding the passing of this Law, and that no bank shall be required to subscribe more than \$3 million m.p.

3. Any bank established in the Argentine after the foundation of the Central Reserve Bank or which increases its paid up capital to a minimum of \$1 million m.p. may be required to subscribe at par to the capital of the Central Reserve Bank in the same proportion to its paid up capital as was adopted for the subscription of the original capital of the Central Reserve Bank, and the Central Reserve Bank is authorised to increase its original capital for this purpose.

4. The Central Reserve Bank shall take over from the Conversion Office the function of issuing notes, and shall assume liability for all notes of denominations of 5 Pesos or over already issued by the Conversion Office and shall replace all such notes by a new issue of Central Reserve Bank Notes to be made within one year of the opening of the Bank.

Any such Conversion Office Notes not so replaced within a period of 2 years from the date on which the issue of Central Reserve Bank Notes commences shall cease to be legal tender but during the following three years may be exchanged at the Central Reserve Bank. At the end of that time the balance still outstanding shall be written off the debt due by the Government to the Bank under Article 7, provided that if subsequent to such writing off any Conversion Office Notes are presented to the Central Reserve Bank they shall be exchanged for Central Reserve Bank Notes purchased for that purpose by the Government.

The Central Reserve Bank shall take over all the gold and other assets held by the Conversion Office but shall not be liable for nickel and copper coin now carried in the balance sheet of the Conversion Office.

Until the external value of the Peso is fixed by a new Monetary Law the gold holding shall be shown in the balance sheet of the Central Reserve Bank in paper Pesos calculated at the existing rate of 44 o/s. = 100 m.p.

5. The Executive Power shall replace Notes under 5 Pesos by subsidiary metallic coin and for that purpose cause to be minted subsidiary coin of such denominations less than 5 Pesos and of such weight, size and fineness as may be fixed by the Executive Power. When such coin is ready for issue all notes of denominations less than 5 Pesos shall cease to be legal tender after a period of one year from that date but shall remain payable in subsidiary coin on presentation to the Central Reserve Bank.

6. On the opening of the Central Reserve Bank the functions of the Conversion Office, the Junta de

nomas de Amortizacion and the Redemptio Commission shall cease.

The Exchange Control Commission, so long as its functions are necessary, shall be regarded as a Department of the Central Reserve Bank which however may avail itself of the service of the Commission in the discharge of these duties.

7. The Federal Government shall provide the Central Reserve Bank with a non-interest bearing Bond of an amount equivalent to the difference between the notes in circulation (excluding the notes under 5 Pesos referred to in Article 5) and the assets taken over from the Conversion Office.

If when Exchange control is removed and the external value of the paper Peso is legally stabilised in a new Monetary Law a revaluation of the Bank's gold holding is required, the profit arising from this operation shall be applied in the first place to the liquidation of this non-interest bearing debt; any surplus shall be applied to the redemption of outstanding Federal Government Treasury Bills held by the Central Reserve Bank.

Any profit arising from any sale of gold previous to such revaluation shall be similarly so applied.

8. All National and Foreign banks operating in the Argentine whose capital is not less than \$1 million m.p. shall transfer to the Central Reserve Bank immediately upon its foundation the amounts required by the Banking Law to be so transferred in respect of cash held against deposits.

9. In order to improve the liquidity of the market, the Federal Government shall apply a sum of not less than \$130 million m.p. to the repayment of internal Federal Government Treasury Bills and other Federal Government indebtedness to the banks and other institutions.

10. The Banco de la Nacion shall transfer to the Central Reserve Bank the balances held by it on Clearing Accounts together with the banking accounts and all credit balances of the Federal Government, Departments of the Federal Government and the Autonomous Institutions (other than the Banco Hipotecario).

Within a period of two years from the foundation of the Central Reserve Bank it shall further transfer the credit balance of the Judicial Accounts.

11. The Central Reserve Bank shall take over from the Banco de la Nacion such Federal Government 3 1/2 o/o Treasury Bills up to a maximum nominal amount of \$250 million m.p. as are held by the Banco de la Nacion as collateral security for advances to banks which are shareholders of the Central Reserve Bank, and the advances made by the Banco de la Nacion against these Treasury Bills shall be similarly transferred.

12. As from a date, to be fixed by the Executive Power, within twelve months of the passing of this Law, the gold peso shall no longer be used as a money of account for Government purposes or in the balance sheets and accounts of banks or companies.

## DRAFT BILL.

1. There is hereby constituted for a period of 40 years a limited liability company called the Central Reserve Bank of the Argentine. The operations of the Bank shall be governed by these Statutes.

2. The Bank shall be domiciled in Buenos Aires. It may open Branches or Agencies and appoint correspondents in accordance with the decision of the Board of Directors.

3. The general objects of the Central Bank shall be (a) to coordinate the expansion or contraction of the volume of credit; and to reinforce the liquidity of the separate banks by establishing a central banking reserve under its control; (b) to regulate the volume of credit and the consequent demand for currency in such a way as to maintain the external value of the Argentine peso as fixed by law.

(c) to regulate the influence of credit and trade activity on public borrowing by advising the Government on all loans, and by issuing and managing Government loans.

## CAPITAL

4. The original capital of the Bank shall be \$15 million m.p. divided into 15,000 shares of \$1,000 m.p. The shares shall be registered and transferable only with the approval of the Bank and the Bank shall not be required to give any reason for refusing a transfer.

5. National and foreign banks at present established in the Argentine with a paid up Capital of not less than \$1 million m.p. shall subscribe at par the original Capital of the Bank in proportion to their paid up Capital at the time of the establishment of the Central Reserve Bank.

No bank, institution or individual shall at any time hold shares of a nominal value exceeding one-fifth of the original capital of the bank.

6. The Federal Government shall not hold shares of the Bank.

7. Any Bank that may subsequently be established in the Argentine with a paid up capital of not less than \$1 million m.p. may increase its paid up capital to \$1 million m.p. may be called upon to subscribe at par to the Capital of the Central Reserve Bank in the same proportion as was adopted for the subscription to the original issue. The Central Reserve Bank is authorised to increase its capital for the purpose.

8. The shares of the Bank shall not be pledged for loans or for other purposes except in special circumstances and then only with the assent in writing of the Central Reserve Bank.

## BOARD OF DIRECTORS

9. The Board of Directors shall consist of a President, a Vice-President and 7 other Directors.

10. The President and Vice President shall be persons of recognised banking and financial experience and shall be elected by the General Meeting of shareholders on the recommendation of the Board of Directors. Their appointment shall require the confirmation of the Executive. They shall remain in office for a period of 5 years and shall be eligible for reappointment.

The President and Vice President shall devote the whole of their time to the service of the Bank, and while holding office shall not occupy any other position whether salaried or not.

They shall be entitled to receive such salaries and allowances as the Board of Directors, subject to confirmation by the General Meeting of Shareholders, may from time to time determine, provided that they shall not be remunerated wholly or partly by any form of commission, and that the salaries and allowances payable to them shall not be computed by reference to the earnings of the Bank.

11. If either the President or Vice President dies or resigns or otherwise vacates his office before the expiry of the term for which he was appointed another person shall be appointed for the unexpired period of the term of office in the manner described in Article 10.

12. The seven other Directors of the Bank shall be elected by the General Meeting of the shareholders as follows. One from the Banco de la Nacion; two from the shareholders National Banks and two from the shareholders Foreign Banks. Of the remaining two Directors one shall be an agriculturist and one a livestock breeder. Neither of these two last Directors shall be Directors, officers or employees of any Bank.

13. The Directors elected in accordance with Article 12 shall hold office for three years and shall be eligible for re-election.

(Continued on page 4)



## SIR OTTO NIEMEYER'S REPORT

(Continued from page 2)

14. If any member of the Board of Directors other than the President or Vice President dies or resigns or otherwise vacates his office before the expiry of the term for which he was elected, a new Director of similar qualification shall be elected in the manner provided in Article 12 for the unexpired period of the term of office.

15. No person shall hold office as a member of the Board who: (a) is or becomes a Member of Congress or any Provincial Legislature or Municipal Council or is or becomes employed in any capacity in any Government Department, or holds any other office or position to which any salary or other remuneration is attached and which is in the appointment of the Federal Government or a Provincial or Municipal Government;

(b) is or becomes insolvent; (c) is or has been convicted of a criminal offence.

16. Ordinary membership of the Board of Directors shall be honorary, but Directors shall be entitled to such fixed fees and allowances as the Board of Directors, subject to confirmation of the General Meeting, may decide. But such fees and allowances shall not be computed by reference to the earnings of the Bank.

17. The President of the Bank, or in his absence the Vice President, shall on behalf of the Board of Directors be in permanent control of the administration of the affairs of the Bank, with authority to act and to give decisions in all matters which are not specifically reserved to the General Meeting of Shareholders, and shall represent the Bank in its dealings with third parties.

18. The President or in his absence the Vice President shall summon Meetings of the Board of Directors, as often as may be required, but not less frequently than twice a month and shall take the Chair at such meetings. A quorum shall consist of 5 members, and unless otherwise provided decisions shall be adopted by a simple majority of the votes of the members present. In the case of an equality of votes, the Chairman shall have a casting vote.

19. The Board of Directors shall supervise the business of the Bank and in particular shall deal with the following matters:

- The internal regulation and administration of the Bank, and the appointment and dismissal of officials.
- The opening and closing of Branches and Agencies.
- The appointment of correspondents at home and abroad and the fixing of conditions governing the relations with such correspondents.
- The general conditions and limits of the various categories of business authorised by the Statutes.
- Rates of Discount and Interest.
- The purchase of real property necessary for the business of the Bank and the disposal of property acquired under Article 34 (b).
- The periodical review, at least once every six months, of all redemptions and advances and the substitution of bills of exchange, and promissory notes (pagarés) in accordance with Article 34 (j).
- Transfers or pledging of the Bank's shares in accordance with Articles 4 and 8.
- The appointment of Rediscout Committees.
- The preparation of the Annual Report and the presentation of the Balance Sheet and Profit and Loss Account to the General Meeting.

## GENERAL MEETINGS

20. The General Meeting represents the whole body of shareholders including those absent from such meeting or dissentient decisions taken thereat.

21. The Ordinary General Meeting of the Shareholders shall be convened by the Board once a year and shall be held during the first three months of the year.

Twenty one days before the date fixed for an Ordinary General Meeting a notice containing the Agenda and giving details of the matters to be discussed shall be forwarded to each shareholder.

Motions to be proposed by Shareholders at the Ordinary General Meeting must be communicated to the Board not later than 31st January and must be accompanied by a statement of the arguments in support of them.

22. Extraordinary General Meetings shall be convened with at least 14 days' notice whenever the Board considers it necessary or upon request in writing from Shareholders representing at least one-third of the voting power as laid down in Article 23.

Such requests shall invariably be accompanied by a statement giving the reason for calling the meeting and the motions to be proposed.

An Extraordinary General Meeting convened at the request of Shareholders shall be held within 30 days of the date when such request is received by the Board.

23.

The Chair shall be taken at General Meetings by the President or in his absence by the Vice-President of the Bank. Votes shall be cast on the basis of one vote for each share, provided always that no one shareholder shall be entitled to cast votes in respect of shares representing more than one-tenth of the capital of the Bank.

The General Meeting shall deal with the following matters:— (a) Approval of the Annual Accounts and the Report of the Board.

(b) Appropriations to the General Reserve Fund and to the Special Reserve Fund, if any.

(c) The declaration of the annual dividend.

(d) The election of the President, Vice-President and Directors.

(e) The appointment or removal of the Auditor.

(f) Confirmation of the salaries and allowances of the President and Vice-President and of the fees and allowances of the other Directors.

(g) Any other matters of which notice has been duly given in the Agenda.

(h) Any proposals for the amendment of these Statutes, but such proposals, if accepted, must be submitted to Congress for final approval.

Except where otherwise provided resolutions at a General Meeting shall be passed by a simple majority of votes.

## REDISCOUNT COMMITTEES.

25.

The Board of Directors shall appoint an Advisory Rediscout Committee for the Head Office, and, if necessary, for any Branch of the Bank, whose duty it shall be to scrutinise all paper offered to the Bank in respect of rediscouts, purchases or advances. The number of persons for each Committee shall be decided by the Board.

26.

Members of the Rediscout Committee shall be selected from persons familiar with the financial, commercial and agricultural conditions of the locality with which they are concerned.

They shall be appointed for a period of two years and shall not be eligible for immediate reappointment.

On the first occasion, when appointments are made to any Rediscout Committee, one half of the members shall be appointed for one year only.

27.

Membership of Rediscout Committee shall be honorary, but the reimbursement of expenses incurred by members in the execution of their duties may be sanctioned by the Board of Directors.

28.

The proceedings of Rediscout Committees shall be confidential. No member of a Rediscout Committee shall express an opinion or vote upon bills or documents with which he is in any way connected, and shall leave the meeting, whilst such bills or documents are under scrutiny. Members of the Board of Directors or their relatives, partners or agents shall not be eligible for appointment to a Rediscout Committee; nor shall any person who comes within the definitions of Article 15.

29.

The Rediscout Committee at the Head Office shall be presided over by the Manager in charge of the relevant Department or in his absence by his Deputy. At the Branches the Branch Manager shall preside over the meetings of the Rediscout Committee.

The constitution of a quorum shall be decided by the Board of Directors.

30.

Decisions upon the acceptance or rejection of bills or other documents shall be adopted by a simple majority of votes, the Chairman having a second or casting vote in cases of equality of votes.

31.

The Bank shall not be bound to rediscout bills or accept securities passed as suitable by the Rediscout Committee, but any decision reversing that of the Rediscout Committee shall be confirmed by the President. Bills or other documents rejected by a Rediscout Committee may be accepted by the Bank, provided that they are approved by a three-quarters majority vote of a meeting of the Board of Directors.

32.

OPERATIONS OF THE BANK.

The Bank may:

- Issue notes in accordance with the provisions of these Statutes.
- Buy and sell gold.
- Accept money on deposit or current account without interest.
- Rediscout for, or purchase from, shareholding Banks Bills of Exchange or promissory notes (pagarés) arising out of bona fide commercial transactions bearing at least two good signatures and maturing within 90 days from the date of acquisition and which comply in all respects with the provisions of the Código de Comercio.
- Rediscout for shareholding banks' Bills of Exchange or promissory notes (pagarés) resulting from transactions in agricultural products or live stock bearing at least two good signatures and maturing within 150 days from the date of acquisition, and which comply in all respects with the provisions of the Código de Comercio.

(f) Grant advances to shareholding banks for fixed periods not exceeding three months at a minimum rate of interest at least 1 per cent. above the Bank's official discount rate for three months' bills against:

- Bills of Exchange and promissory notes (pagarés) which conform to the conditions laid down in (d) or (e) of this Article up to 50 o/o of their nominal value.

(g) If, however, the reserve so calculated falls below 33 o/o the Bank shall immediately increase its current rates for rediscouts and advances by which the reserve falls below 33 o/o and shall reinstate its measures to control credit.

In any one year the reserve against notes and sight liabilities

shall be at least 33 o/o of the nominal value of the Bank's outstanding notes and sight liabilities.

The Bank shall at all times maintain a reserve sufficient to assure the external value of the peso as fixed by law. To this end it shall hold a minimum cover in gold and such foreign currencies as may comply with the Monetary Law equivalent to at least 25 o/o of its notes in circulation and sight liabilities.

The gold shall be unpledged and in the unrestricted ownership of the Bank and only net foreign exchange (i.e. the free balance after all liabilities in gold and foreign exchange have been deducted) shall be held in the reserve.

33.

The Bank shall at all times publish its minimum rate for rediscouts and advances and shall not make rediscouts or advances below these rates.

34.

The Bank may not:

- Issue Notes of a denomination of less than pesos 5 mil.
- Grant accommodation to the Federal Government either directly, except as provided in Article 44 or indirectly, except as provided in Article 32 (f), by way of discounts, advances, overdrafts, purchase of Treasury Bills, Bonds or other Federal Government Securities, or otherwise.
- Directly or indirectly grant accommodation by way of rediscouts, discounts, advances, overdrafts or purchase of Bills or Bonds in any circumstances whatsoever to the Provinces, Municipalities or Public Undertakings dependent on them; or to the Autonomous Institutions.
- Guarantee or endorse Bills or other obligations of the Federal Government, Provinces, Municipalities, Autonomous Bodies or other Institutions of a similar character.
- Engage in trade or otherwise have a direct interest in any commercial, agricultural, industrial or other undertaking.
- Purchase shares (except shares in the Bank for International Settlements) or grant loans on the security of any shares.
- Make unsecured advances or allow overdrafts.
- Purchase real property except such as shall be necessary to enable the Bank to conduct its business; purchase goods or make advances on the security of real property or mortgages. In the event of any claims of the Bank becoming in the opinion of the Board of Directors endangered, the Bank may secure itself on any real property of the debtor and may acquire such property, which shall, however, be resold as soon as practicable thereafter.
- Law or accept Bills payable otherwise than on demand.
- Allow the renewal or substitution of maturing bills of exchange or promissory notes (pagarés) purchased or rediscouted by the Bank save in exceptional circumstances when the Board of Directors may by resolution authorise one renewal or one substitution only of not more than 50 per cent. of the original amount of any such bill for a period not exceeding 90 days.

35.

32. Marketable Securities of the Federal Government provided that no such advance shall exceed 60 o/o of the market value of the security pledged as quoted on the Bourse and that the total of such advances does not exceed the capital of the Bank.

(g) Buy and sell foreign currencies.

(h) Act as correspondent or agent for any other Central Bank or for the Bank for International Settlements.

(i) Undertake the issue and management of Federal Government Loans, but it shall not be lawful for the Bank to subscribe to or underwrite such loans.

(j) Administer the Clearing system in Buenos Aires and in other centres.

(k) Accept the custody of securities and other articles of value.

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- Guarantee or endorse Bills or other obligations of the Federal Government, Provinces, Municipalities, Autonomous Bodies or other Institutions of a similar character.
- Engage in trade or otherwise have a direct interest in any commercial, agricultural, industrial or other undertaking.
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- Purchase real property except such as shall be necessary to enable the Bank to conduct its business; purchase goods or make advances on the security of real property or mortgages. In the event of any claims of the Bank becoming in the opinion of the Board of Directors endangered, the Bank may secure itself on any real property of the debtor and may acquire such property, which shall, however, be resold as soon as practicable thereafter.
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- Allow the renewal or substitution of maturing bills of exchange or promissory notes (pagarés) purchased or rediscouted by the Bank save in exceptional circumstances when the Board of Directors may by resolution authorise one renewal or one substitution only of not more than 50 per cent. of the original amount of any such bill for a period not exceeding 90 days.

35.

During the whole of its duration the Bank shall have the right of issuing notes throughout the Argentine and neither the Federal Government nor the Governments of the Provinces nor any Municipality, Bank or other Institution shall issue notes, or any documents which in the opinion of the Bank are likely to pass as paper currency.

36.

The Federal Government shall remain responsible for the minting of subsidiary coin of denominations under \$5 mil., but issues of coin shall only be made through the intermediary of the Bank and at its request.

37.

The notes shall be of such denominations not below 5 pesos m.n. as the Board of Directors may determine.

38.

The Notes of the Bank shall be legal tender throughout the Argentine to the amount expressed thereon.

39.

The Bank shall at all times maintain a reserve sufficient to assure the external value of the peso as fixed by law. To this end it shall hold a minimum cover in gold and such foreign currencies as may comply with the Monetary Law equivalent to at least 25 o/o of its notes in circulation and sight liabilities.

The gold shall be unpledged and in the unrestricted ownership of the Bank and only net foreign exchange (i.e. the free balance after all liabilities in gold and foreign exchange have been deducted) shall be held in the reserve.

If, however, the reserve so calculated falls below 33 o/o the Bank shall immediately increase its current rates for rediscouts and advances by which the reserve falls below 33 o/o and shall reinstate its measures to control credit.

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has been below 33 o/o on three separate occasions as shown by the fortnightly returns of the Bank, no dividend on the Banks Shares shall be paid for that year; all profits applicable to such dividend being allocated to the General Reserve Fund.

40.

The Bank shall be obliged on demand to exchange its notes in amounts of not less than \$10,000 m.n. either for gold or at the Bank's option for foreign currency complying with the provisions of the Monetary Law.

The rate at which notes are exchangeable into such foreign currency or vice versa shall not vary more than 2 o/o either way.

41.

Any person or institution holding in the Argentine gold coin or bullion shall, if so required by the Central Reserve Bank, sell to the Bank such coin or bullion on payment by the Bank of the equivalent value at par in Reserve Bank notes.

42.

National and foreign banks operating in the Argentine with a capital of not less than \$1 million m.n. shall at all times maintain at the Central Reserve Bank a cash reserve for their deposits in accordance with the Banking Law. These balances shall form the basis of the Clearing system which the Central Reserve Bank shall administer in Buenos Aires and in other centres, provided always that the operation of the Clearing shall in no case result in the reduction of the balance of any bank below the statutory minimum laid down in the Banking Law.

43.

The Federal Government shall entrust the Bank with all their remittance exchange and banking transactions both at home and abroad. The balances of the Federal Government, all Federal Government Departments and Autonomous Institutions and the Judicial balances shall be kept at the Bank.

44.

The Bank may make temporary advances to the Federal Government in respect of a temporary deficiency of budget revenue to an amount not exceeding 10 o/o of the total tax revenue approved by Congress in the Budget Law of the year; provided that every advance made under this section shall be repayable by 31st December in the same year in which it is made; and that if any such advance remains unpaid after that date, the power of the Bank to make further such advances in any subsequent year shall not be exercisable unless and until the amounts due have been repaid.

45.

The Bank shall open a General Cash Account for the Federal Treasury to which all revenue of whatever kind and all advances made to the Government shall be credited, and shall make payments or transfers to subsidiary accounts from this account only upon an order of the Treasury countersigned by or on behalf of the Comptroller General.

46.

The Bank shall receive and disburse Federal Government monies and keep account thereof without remuneration for such services, in common with other deposits no interest shall be paid by the Bank on amounts deposited in Government accounts.

47.

In localities where the Bank has no branch the Bank may appoint another bank to act as its agent for the collection and payment of Federal Government funds, but all monies collected in such manner shall be remitted immediately to the Bank for the credit of the General Cash Account of the Federal Treasury.

48.

The premises of the Bank and its Branches and the operations which it undertakes shall be exempt from all national, provincial or municipal taxes and dues.

49.

Profits.

At the end of every year, after provision has been made for bad and doubtful debts and depreciation in assets, 20 per cent. of the net profits shall be credited to the General Reserve Fund until such time as this fund amounts to 25 per cent. of the Share Capital, thereafter and until the total of the General Reserve Fund has reached 75 per cent. of the net profits shall be set aside for the General Reserve Fund.

(1) From the remainder, subject to the restrictions of Article 39, there shall then be paid to the Shareholders a dividend not exceeding 6 per cent. per annum on the Share Capital.

(2) The remaining surplus for each financial year shall, so long as the Bank is less than the Fund of the Capital of the Bank, be divided into two equal parts, half being allocated to the General Reserve Fund and the other half to the Share Capital.

(3) When the General Reserve Fund is not less than the Share Capital and until it is equal to twice the Share Capital, the proportion of the net profits to be allocated to the General Reserve Fund shall be 10 per cent.

(4) No person or institution shall conduct a business principally dependent on the acceptance of deposits, either at sight or for a fixed period, or shall use in its description or title bank, banker or banking without complying with the conditions imposed by this law, and every person or institution using or proposing to use the name of bank or banker in writing shall notify its intention in writing to the Central Reserve Bank.

50.

Accounts and Returns.

The financial year of the Bank shall be the calendar year.

51.

The Bank shall forthwith after the fifteenth and last days of each month make up and publish a return of its assets and liabilities as at the close of business on such days respectively. Such statement shall be in the form of the specimen statement attached to these Statutes.

52.

Within 20 days after the close of each financial year, the Bank shall make up and publish its Balance Sheet and Profit and Loss Account as at 31st December of the preceding year. The Annual Report of the Bank shall be issued by the Board before the date of the Annual General Meeting.

53.

The General Meeting of the Shareholders shall appoint an independent firm of qualified accountants to be the Auditors of the Bank. The Auditors shall hold office for one year, but shall be eligible for reappointment.

No Director, Officer, or employee of the Bank shall be eligible for appointment as Auditor of the Bank.

54.

No alteration of these Statutes can be proposed to Congress without the assent of a two-thirds majority of the shareholders at a General Meeting expressly summoned for the purpose.

55.

The Bank shall not at any time be dissolved except pursuant to an Act of Congress passed in that behalf.

56.

Transitory Articles.

The first Vice-President of the Bank shall retire from the Board of Directors after three years' service. Of the first Directors two shall retire from the Board after one year's service and two after two years' service, the order of retirement being decided by lot.

Until such time as exchange control is removed and the external value of the peso is fixed by a new Monetary Law the reserve held by the Bank against its notes and sight liabilities under Article 39 shall consist of gold and the provisions of Articles 40 and 41 shall not come into force.

to the General Reserve Fund shall be reduced to 10 per cent. and the remainder applied to the cancellation (in excess of any normal amortisation applicable to such debt) of Federal Government Treasury Bills or Bonds of the Public Loan held by the Bank until such time as all such Bills or Bonds in the possession of the Bank are repaid. Thereafter all surplus profits shall be paid to the Treasury.

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58.

Notwithstanding anything in Articles 32 (f) and 34 the Central Reserve Bank may temporarily continue the advances to shareholding banks against Federal Government Treasury Bills to a maximum nominal amount not exceeding \$250 million m.n. in respect of those Treasury Bills which may be transferred to it from the Banco de Nación in accordance with Article 11 of the General Law.

59.

ASSETS

- Gold.
- Foreign Exchange (Art. 39).
- Subsidiary



# ACONSEJA LA CREACION DE UN BANCO CENTRAL DE RESERVA EL PERITO SIR OTTO E. NIEMEYER

También ha presentado un proyecto de ley de régimen bancario, tendiente a establecer un nivel "standard" de liquidez en los bancos mismos

## UNIDAD Y EQUILIBRIO DEL PRESUPUESTO

Declara Sir Otto que el plan que sugiere es un conjunto orgánico que no puede ser substancialmente modificado en ninguna de sus partes integrantes

### DEBE MANTENERSE EL CONTROL DE CAMBIOS

El ministro de Hacienda dió ayer a la publicidad el informe que ha presentado el perito británico Sir Otto E. Niemeyer sobre los asuntos respecto a los cuales le fué requerida su opinión.

El documento, que reproducimos integralmente a continuación, comprende un informe sobre las cuestiones que ha estudiado Sir Otto y los fundamentos de las soluciones que propone; un proyecto de ley de creación del Banco Central de Reserva; un proyecto de estatutos del mismo banco y un proyecto de ley de régimen bancario.

#### El sistema bancario argentino

La primera parte del documento, o sea el informe propiamente dicho, expresa lo siguiente:

"Cuando fui invitado a visitar la Argentina, el problema principal sobre el cual se me pidió expresara una opinión lo constituyó el sistema bancario argentino.

"Cualquier sistema bancario, para funcionar de manera económicamente racional y sin tropiezos, debe adaptarse a la organización económica del país en que se halla implantado. Ahora bien, la característica más saliente e importante de la vida económica argentina es el alto grado en que ella depende de su comercio de exportación de materias primas. A este respecto, la Argentina se asemeja en mucho a Australia y Nueva Zelanda y difiere de los países industrializados y más densamente poblados de Europa y América del Norte. Las dos terceras partes de su producción total las forman los productos agrícolas y ganaderos y, de éstos, a su vez, dos tercios se destinan a la exportación. De las actividades semi-industriales, la porción más importante está constituida por aquellas que elaboran y transforman los productos agrícolas y ganaderos (tales como la industria harinera y la de carnes congeladas y enfiadas) y entre las ramas restantes de la actividad económica, las de mayor importancia (comercio, bancos, transportes) se dedican principalmente a facilitar el movimiento de las exportaciones y de las importaciones a que aquéllas dan lugar. Todo el ritmo de la vida económica está supeditado al comercio de exportación; y todas las estadísticas argentinas, antiguas o recientes, corroboran esta conclusión.

"El origen predominante agrícola y ganadero (96 por ciento) de las exportaciones argentinas, engendra forzosamente fluctuaciones de mucha consideración. Las exportaciones de este género se hallan sujetas a oscilaciones especiales en su valor, porque, por una parte, les afectan las variaciones estacionales climáticas y otras condiciones naturales, y por la otra, la demanda que ellas satisfacen, considerada en relación con la demanda de productos industriales, carece de elasticidad. En los últimos diez años se ha visto el caso de una variación tan considerable como lo es el aumento y descenso sucesivos de un 30 por ciento. El sistema económico está pues, expuesto en la Argentina a tensiones más grandes que aquellas experimentadas en países de estructura económica más diversificada.

"Una base tan poco firme ofrece problemas especiales para las instituciones de crédito de un país. Los bancos reaccionan en forma sumamente sensible contra toda variación en las demandas que les dirigen la industria y el comercio y si no se ejerce ningún control central para amortiguar el efecto de esas variaciones, las fluctuaciones creadas por las causas generales tienden a intensificarse alternativamente por inflaciones y contracciones violentas del crédito bancario.

#### No existe un contralor de coordinación de los bancos

"En la Argentina no existe un contralor central o de coordinación de los bancos; y el sistema monetario del país, según lo establecen las leyes 2741 y 3871 (cuando funciona y no está interrumpido por efecto de leyes de emergencia) tiende a favorecer, antes que suavizar, aquellas expansiones y contracciones alternadas. En teoría, el volumen de la circulación es regulado no por la política deliberada de un banco central, sino automáticamente por la afluencia y salida de oro en la Caja de Conversión. Este oro sólo puede ser adquirido en virtud del cambio, ya sea comprándolo directamente o, lo que es más común, como resultado de la afluencia natural de oro para cubrir un saldo favorable del balance de pagos. Naturalmente, el objeto del sistema era el de asegurar que mediante un ajuste automático del volumen interno de los medios de pago en efectivo con relación a las variaciones del balance de pagos, la circulación monetaria se expandiera tan sólo cuando aumentan las exportaciones y se contrajese cuando éstas disminuyen.

"No es probable que país alguno que sufre fluctuaciones naturales tan acentuadas en sus actividades económicas como la Argentina pudiera soportar por mucho tiempo un ajuste automático tan directo y rígido entre la cantidad del medio circulante y el balance de pagos externos. Si bien es verdad que una cierta correlación entre ambos es de fundamental importancia, cuando ella llega a ser demasiado rígida el engranaje se rompe por su propia falta de elasticidad.

"En la práctica, el sistema, sin embargo, no funciona tal como fué ideado hace cuarenta años. Sucede así porque en la actualidad los me-

dios de pago de que puede disponer la industria no dependen tan sólo de la cantidad de billetes emitidos por la Caja de Conversión, sino en un grado esencial de los préstamos y adelantos hechos por los bancos sobre la base de sus propios encajes. Y estos últimos no han sido regulados en proporción a las reservas de oro del país. Antes por el contrario, los bancos muy a menudo han visto aumentar su encaje cuando el oro afluía al país y lo vieron disminuir cuando el oro era exportado. La Caja de Conversión por otra parte (al igual de sus predecesores) ha dejado de funcionar por lo común tan pronto como se presentaba la emergencia—un drenaje externo de oro del país—que estaba precisamente llamada a afrontar.

"En años recientes en particular, no se dejó que el funcionamiento automático de la Caja de Conversión produjera su pleno efecto, y la ausencia absoluta de elasticidad en el sistema monetario tuvo que ser compensada, en parte, por la acción de los bancos individuales, en especial por el Banco de la Nación. En 1926, con un balance comercial adverso, el encaje de los bancos sólo se redujo ligeramente y el Banco de la Nación aumentó sus préstamos. En 1927, un balance comercial muy favorable atrajo al país una corriente de oro por valor de 250 millones, pero la mayor parte de este oro fué a aumentar los encajes bancarios, y los préstamos bancarios disminuyeron. En 1928, con un balance comercial aun más favorable, los encajes bancarios volvieron a aumentar. En 1929, cuando el saldo del balance comercial quedó reducido a 208 millones, produciéndose una salida de oro y una reducción en los encajes bancarios, los préstamos bancarios volvieron a aumentar en 218 millones. En 1930 se repitió el mismo proceso. Finalmente, en 1931, aunque el balance comercial nuevamente arrojó un saldo positivo de 284 millones, se exportaron 360 millones de oro y el volumen total de los medios de pago no varió.

"No es mi propósito criticar aquí estos movimientos; sólo quiero hacer resaltar que ellos no conciden de ninguna manera con la teoría sobre la cual fué basada la Caja de Conversión.

"En efecto, los bancos neutralizaron las fluctuaciones del saldo del crédito externo; primero, mientras ese saldo era activo, evitando que la entrada de oro ejerciera sus efectos normales sobre el volumen del crédito, y más adelante cuando el balance se tornó desfavorable, utilizando el oro en sus arcas para atender a las exigencias externas y aumentando los préstamos a medida que disminuían los recursos en efectivo.

#### Los empréstitos externos mantuvieron artificialmente crecidas las importaciones

"Otro factor de suma importancia durante el mismo período se hallará en el volumen de los empréstitos externos a causa de los cuales, y a partir desde 1923, se mantuvo artificialmente crecida la cifra de las importaciones que, en realidad, la Argentina no estaba pagando. El efecto interno inmediato de estos empréstitos fué semejante al que habría producido un incremento real de las exportaciones, aumentando los gastos y estimulando por consiguiente las actividades en el país. Los bancos se hallaban en condiciones de ensanchar el crédito aumentando o manteniendo así los precios internos y estimulando nuevas actividades. Este movimiento inflacionista siguió su curso cuando ya había cesado la causa que lo había originado. Sus peligros reveláronse cuando de pronto cesaron los empréstitos externos, como hubo de ocurrir forzosamente tarde o temprano. El sistema bancario, que en cierta medida había anticipado la presión que habrían de soportar sus recursos, cuando las exportaciones amplias cederían el paso a las exigencias, se encontraba incapacitado para hacer frente a la presión ulterior derivada de su estructura, en la que el equilibrio se hallaba artificialmente alterado. De ahí que sobrevinieran nuevas fluctuaciones violentas y la implantación forzosa del control de cambios.

"Si los empréstitos externos se hubiesen invertido exclusivamente en la creación de capitales que hubiesen aumentado rápidamente la capacidad efectiva del país y dado lugar a la producción de artículos susceptibles de encontrar un mercado en el exterior, la riqueza real quizás habría crecido en medida suficiente como para crear mayores exportaciones. Pero como fueron principalmente empleados para atender los gastos corrientes de la Administración o aplicados a la creación de capitales que sólo en un futuro remoto habrían de producir artículos exportables, en lugar de estabilizar, no hicieron sino aumentar las fluctuaciones. Si en épocas de prosperidad, el aumento de los gastos públicos se hubiera atendido con aumentos correlativos de las rentas públicas, se habría evitado por lo menos agravar el problema. Pero como de hecho este aumento en los gastos fué cubierto tanto por medio de empréstitos externos como por el acrecentamiento de la deuda flotante interna, la inflación vino a sumarle un nuevo factor a la tendencia creciente hacia fluctuaciones de suma gravedad.

#### Deuda del gobierno federal

"Son sintomáticas (aunque se hallan lejos de reflejar el total de los préstamos contraídos por las autoridades públicas argentinas), las cifras de la deuda del gobierno federal.

(EN MILLONES DE PESOS PAPEL A LA PAR)

AÑOS	Total de la deuda externa	Aumento o disminución respecto a años anter.	Deuda total interna y externa	Aumento o disminución respecto a años anter.
1920	596.8	—	1939.8	—
1921	571.0	— 25.8	2023.0	+ 83.2
1922	535.7	— 35.3	2187.7	+ 164.7
1923	539.2	+ 3.5	2190.4	+ 2.7
1924	687.4	+ 148.2	2270.4	+ 80.0
1925	833.2	+ 145.8	2229.2	— 41.2
1926	888.4	+ 55.2	2355.1	+ 125.9
1927	1103.8	+ 215.4	2603.9	+ 248.8
1928	1111.8	+ 8.0	2914.0	+ 310.1
1929	1071.4	— 40.4	3122.2	+ 208.2
1930	1035.0	— 36.4	3403.6	+ 281.4
1931	994.3	— 40.7	3666.0	+ 262.4
1932	942.8	— 51.5	3639.9	— 26.1

"No sería razonable suponer que organización alguna en un solo país determinado, pudiera eliminar todas las causas de las fluctuaciones en un mundo de interdependencias. Pero no deja lugar a dudas que ni el engranaje bancario existente, ni la práctica que se ha observado respecto de los empréstitos externos se hallan or-

ganizados en medida adecuada a las condiciones particulares que la Argentina tiene que afrontar.

#### Creación de un Banco Central de Reserva

"A fin de remediar esta situación (Continúa en la 3a. Pág., 1a. Col.)



## DESARME ITALIANO

Hay divergencias entre Daladier y Paul-Boncour acerca del proyecto

### SEGURIDAD FRANCESA

PARIS, 2 (F).—Entre los Sres. Daladier y Paul-Boncour se están originando divergencias con respecto al plan del Sr. Mussolini.

M. Paul-Boncour favorece la aceptación condicional de este proyecto, mientras que M. Daladier teme que se comprometa con ello la seguridad francesa.

La segunda etapa de las negociaciones sobre el plan se inició en el Quay d'Orsay, donde M. Paul-Boncour conferenció largamente con M. de Jouvenel.

#### El punto de vista británico

LONDRES, 2 (H).—El embajador de Gran Bretaña en París, Lord Tyrrel, fué encargado de hacer conocer hoy al gobierno francés los puntos de vista del gobierno británico sobre el proyecto de "pacto de los cuatro" presentado por el Sr. Mussolini.

De conformidad con el comunicado que siguió a la entrevista franco-británica de fecha 21 de marzo pasado, el gobierno británico hace conocer por vía diplomática su opinión concerniente a las observaciones presentadas en París por Sir John Simon y Macdonald, y formula diversas sugerencias con el fin de facilitar el acuerdo.

El cambio de puntos de vista proseguirá entre las cancillerías de Londres y París inmediatamente después que el gobierno francés haya estudiado la nota británica, la cual fué entregada esta tarde a M. Paul-Boncour.

#### Probabilidades de acuerdo

PARIS, 2 (F).—En los círculos oficiales se dijo que aumentan las probabilidades de que se acepte el pacto propuesto por Mussolini, a medida que se efectúan modificaciones. El gobierno francés está aún dividido en sus opiniones, pero M. Daladier, según se entiende, es partidario del proyecto, toda vez que Mr. Macdonald y el señor Mussolini contribuyen con concesiones conformes a las ideas francesas. M. Daladier realizó una conferencia con el presidente Lebrun, para estudiar el nuevo borrador del pacto presentado por Gran Bretaña, que será considerado mañana por el Gabinete, y si después de nuevas negociaciones se adopta el plan, Daladier, Macdonald e Hitler irán a Roma a firmar el pacto con Mussolini.

En previsión de un posible fracaso de la Conferencia del Desarme, un representante del Gobierno dijo que Gran Bretaña, por intermedio de su embajador en París, Lord Tyrrel, sometió ayer un proyecto general de armamentos, conforme al cual la igualdad alemana será concedida en forma más lenta que lo que se pensaba anteriormente. La pequeña "entente", representada por Titulesco, se opone al plan

del, afirmando que el Sr. Mussolini ha declarado que el pacto no dará a Alemania más derechos a la revisión de los tratados de que aquellos de que goza por medio de la Sociedad de las Naciones, bajo cuyos auspicios regiría el pacto. La coalición de las grandes potencias será el medio de ganar la aprobación del consejo de la Sociedad de las Naciones, y aun la de la Asamblea, en cuanto a la revisión de tratados. La pequeña "entente" sostiene, sin embargo, que la declaración de las grandes potencias respecto de esa revisión, aun cuando no fuera aprobada, dará a Alemania un apoyo moral que puede significarle un aliento para recurrir a las armas.

## EL SUMO PONTIFICE DIO AUDIENCIA A MILLARES DE FIELES

CIUDAD DEL VATICANO, 2 (F).—El Papa estuvo muy ocupado durante el primer día del Año Santo recibiendo a miles de niños de las escuelas y a varios altos prelados. Luego se paseó, como de costumbre, por los jardines del Vaticano.

Se calcula que una multitud de quinientas mil personas acudió a San Pedro para pasar por la Puerta Santa, que fué consagrada ayer.

Los miembros de la guardia suiza y los gendarmes estuvieron también muy ocupados, pues tuvieron que contener a una multitud enorme, ávida de entrar por las tres puertas centrales de San Pedro, que permanecieron abiertas hasta el anochecer.

El Sumo Pontífice concedió la primera audiencia, en las horas de la mañana, a monseñor Borgongini-Duca, nuncio en Italia. Luego recibió al cardenal Schuster. Por la mañana también concedió audiencia a cien obreros del hospital de Florencia, a doscientos estudiantes del Colegio de Esernia y a seiscientos miembros del Instituto Nacional de Bienestar de Salerno. Por la tarde recibió a 500 empleados de las compañías de seguros de Trieste, felicitándolos por su obra en favor de la fe cristiana, y a los peregrinos de Milán, elogiándolos por el fervor religioso que demostraban al inaugurar el Año Santo. También recibió el Papa a 1500 obreros rurales de Treviso y a 600 miembros de las sociedades de beneficencia de Nápoles.

#### En Nueva York

NUEVA YORK, 2 (H).—En ocasión del Año Santo, el cardenal Hayes, el reverendo Parker Cadman y el rabino Lyons, así como el ex gobernador Smith, hablaron ante más de 60,000 personas, invitando a los circunstantes a rogar por el mejoramiento de la situación mundial y la renovación de la fe religiosa.

## MATO POR ERROR A CUARENTA PERSONAS

EL CAIRO, 2 (H).—Un farmacéutico vendió por error un veneno violentísimo en lugar de medicamentos a cuarenta personas, las que murieron en el hospital en medio de horribles sufrimientos.

La policía ordenó que el farmacéutico fuera detenido; pero éste, al conocer las consecuencias que había tenido su error, se suicidó.

# ICA como ahora

### COMPRARA MAS BARATO

Vea nuestros precios



El pullover ideal para niños, con Cierre Relámpago, tejido en lana y algodón Jaquar, dibujos nuevos, de 9 a 13 años, \$ 3.50; de 2 a 8 años . .

**2<sup>50</sup>**



Este SOMBRERO de excelente castor, con forro y cinta de seda, colores de moda, siendo un sombrero de lujo, se ofrece sólo por . . . \$

**9.80**



Para los escolares ofrecemos este elegante TRAJE bien confeccionado en casimir fantasma, gustos de última moda, en las edades de 8 a 15 años . . .

**13<sup>90</sup>**

Guardapolvo de dril blanco satinado, modelo colegial, para niños de 12 a 14 años, \$ 2.95; de 9 a 11 años, \$ 2.40; de 6 a 8 años . . .

**1<sup>95</sup>**



POR ESTE PRECIO EXCEPCIONALMENTE REDUCIDO, UN BUEN TRAJE DE CASIMIR INGLES DE LA MEJOR CALIDAD, SOBRE MEDIDA, CIEN FANTASIAS DE ULTIMA CREACION.

**85**

CASA

**ZABALA**

=B<sup>ME</sup> MITRE y ESMERALDA











# LOS BANCOS DEBERÁN MANTENER UN ENCAJE DEL 20 0/0 DE DEPOSITOS A LA VISTA Y 10 0/0 DE DEPOSITOS A PLAZO

llos que efectúen las sociedades co-operativas y asociaciones mutualistas, para las cuales el límite podrá elevarse a 50.000 pesos. En ningún caso podrán los bancos admitir depósitos en caja de ahorros con la obligación de restituirlos sin previo aviso mínimo de 30 días.

## Pago de intereses

Art. 7. — El interés que pagarán los bancos sobre depósitos a la vista será inferior por lo menos en 3 por ciento al tipo de descuento corriente del Banco Central de Reserva; sobre depósitos a plazo (con inclusión de los depósitos en caja de ahorros) el interés será inferior por lo menos en 1 por ciento a dicho tipo de descuento.

Art. 8. — A los efectos de la presente ley, el término "depósitos a la vista" significa y comprende a todas las obligaciones pagaderas dentro de 30 días, o sujetas a un aviso previo a su pago menor de 30 días; el término "depósitos a plazo" comprende a todas las obligaciones—con inclusión de los depósitos en caja de ahorros—pagaderas después de 30 días o sujetas a un aviso previo a su pago no menor de 30 días.

Art. 9. — Todo banco deberá publicar dentro de los 30 días de la fecha de cierre de su ejercicio financiero y siempre con anticipación a la celebración de su asamblea general ordinaria anual:

- 1) Su balance general.
- 2) Su cuenta de ganancias y pérdidas.

El balance general y la cuenta de ganancias y pérdidas llevará el visto bueno de un contador público o revisor de contabilidad diplomado. Dicho visto bueno deberá extenderse por un profesional independiente que no sea empleado del banco en cuestión.

Art. 10. — Todo banco establecido en la Argentina deberá presentar mensualmente al Banco Central de Reserva un informe confidencial sobre el estado de sus operaciones, en el formulario adjunto a esta ley, y tendrá la obligación de suministrar al Banco Central de Reserva cualquier ulterior información aclaratoria o ampliatoria de los datos consignados en este formulario que el Banco Central de Reserva le requiriese.

Estos informes serán firmados por el gerente general y el contador general del banco, o sus reemplazantes, demostrarán el estado a la fecha del cierre del ejercicio de cada mes, y deberán llegar a poder del Banco Central de Reserva dentro de los 21 días subsiguientes a esa fecha.

El Banco Central de Reserva hará publicar mensualmente un resumen del estado de los bancos mostrando los totales de los diferentes rubros.

Art. 11. — Esta ley no se aplicará a los bancos hipotecarios que realicen sus operaciones por medio de su propio capital o con el producto de

la colocación de obligaciones o debentures y que no reciben depósitos.

## Formulario para el informe confidencial de los bancos

### Balance A

Balance completo de todos los rubros activos y pasivos

Mes de de 193

Todos los rubros, sin excepción, en pesos papel

### ACTIVO

m\$.n.

#### 1 Existencias

- a) En oro
- b) En billetes del Banco Central de Reserva y moneda subsidiaria
- c) En el Banco Central de Reserva

#### 2 Depósitos (saldos) en otros bancos

#### 3 Cambios

#### 4 Préstamos

- a) Descuentos de pagarés con endoso
- b) Descuentos de pagarés directos
- c) Letras a recibir
- d) Adelantos con garantía
- e) Adelantos sin garantía
- f) Préstamos hipotecarios
- g) Letras de Tesorería del gobierno nacional
- h) Préstamos con garantía de títulos del gobierno nacional
- i) Otros préstamos al gobierno nacional
- j) Préstamos a las provincias, municipalidades y reparticiones autónomas

#### 5 Créditos a cobrar

#### 6 Títulos en cartera

- a) Del gobierno nacional
- b) De las provincias, municipalidades y reparticiones autónomas
- c) Acciones o participaciones en compañías, etc.

#### 7 Sucursales y corresponsales en la Argentina

#### 8 Edificios del banco, muebles y útiles

#### 9 Inmuebles

#### 10 Ganancias y pérdidas

### PASIVO

m\$.n.

#### 11 Capital (autorizado m\$.n.)

#### Realizado

#### 12 Reservas

- a) Artículo 40. de la ley de bancos
- b) Otras

#### 13 Depósitos a la vista

#### 14 Otros depósitos

- a) Plazo fijo
- b) Ahorro

#### 15 Préstamos del Banco Central de Reserva

- a) Con garantía de Letras de Tesorería
- b) Con garantía de títulos del gobierno nacional
- c) Letras comerciales y pagarés redescontados

#### 16 Préstamos de otros bancos en la Argentina

#### 17 Letras, giros, etc., emitidos por el banco

#### 18 Cambios no incluidos bajo depósitos

#### 19 Sucursales y corresponsales en la Argentina

#### 20 Ganancias y pérdidas

## BALANCE B

### Activo y pasivo en cambios

#### Activo (1)

#### Pasivo

- 1—Letras de cambios, giros, etc.
- 2—Saldos en el exterior.
- 3—Operaciones a futuro.
- 4—Títulos extranjeros.
- 5—Otros rubros del activo en cambios.
- 6—Letras y giros girados sobre el exterior.

- 7—Letras y giros, etc., recibidos para el cobro por en cuenta del exterior.
- 8—Préstamos del exterior (incluido adelantos cuenta corriente y créditos usados).
- 9—Depósitos del extranjero (incluido bajo 13 y 14 en A).
  - a) a la vista;
  - b) otros.
- 10—Operaciones a futuro.
- 11—Otros rubros del pasivo en cambios.

(1) Detalle del rubro 3 en el balance A.

## BALANCE C

### Tasas del

- Depósito a la vista.
- Depósitos a plazo fijo.
- Depósitos ahorros.
- Descuentos de letras y pagarés.
- Préstamos.



ternacional de esgrima, en el cual participaron sesenta competidores. Souchard representó a Francia en el torneo; se clasificó segundo Coutrot, tercero Rat, de Mónaco, y cuarto Brusari, de Italia.

### **A. Binda ganó la primera carrera del campeonato ciclista italiano**

MESINA, 2 (H). — La primera prueba por el campeonato italiano de ciclismo se disputó sobre el trayecto Mesina, Catania, Randazzi, Mesina, o sea una distancia de 256 kilómetros. La clasificación fue: 1º. Binda, en 9 h. 29", con un promedio de 28:419 kilómetros por hora; segundo llegó el corredor Guerra.

### **Falleció un maharajá que era conocido jugador de cricket**

NUEVA DELHI, 2 (P). — Ha fallecido repentinamente en Jamagar el maharajá Jamsahib de Nawanager, conocido como jugador de cricket por el nombre de Ranjit Singh.

### **Primo Carnera realizó en Roma varias exhibiciones**

ROMA, 2 (H). — El pugil italiano Primo Carnera sostuvo varios rounds de exhibición con sparrings, ante una apreciable cantidad de público, que por primera vez tuvo oportunidad de admirar la potencia de su punch.

Terminadas estas exhibiciones, el boxeador Primo Carnera fué ovacionado por la concurrencia.

El campeón italiano de peso mosca superó al de Francia

ROMA, 2 (H). — En el match de boxeo realizado hoy en esta capital el campeón italiano de peso mosca, Bernardisi, venció

por puntos al campeón francés del mismo peso, Legras.

Casanova venció por knock-out a New's Boy Brown

MEJICO, 2 (P). — Baby Casanova, pugil de peso gallo, venció por knock-out, en el tercer round de un match a diez, a New's Boy Brown, de Los Angeles. Asistieron al encuentro, que se realizó en la Plaza de Toros, 25.000 personas.

### **TURF EXTRANJERO**

Resultados de algunas carreras disputadas ayer en el hipódromo de Longchamp

PARIS (Longchamp), 2 (P). — Varense de Edouard de Rothschild, ganó el Prix Vanteaux, de 30.000 francos y que se corre sobre 2000 metros.

Segundo llegó Arnette, de Jean Stern, y tercero Begum, de A. Aumont.

El caballo Arabia, de Guthmann, llegó cuarto, a una cabeza de Begum.

Ministerone, de A. Aumont, ganó el Prix de Guiche, que se corre sobre 2000 metros y que tiene un premio de 30.000 francos.

Segundo se clasificó Commandeur, que llevaba el mismo jockey y tenía el mismo preparador de Arabia. Tercero llegó Foxy de Alberto Dubarry.

Commandeur pagó 10,50 y llegó a la meta a un cuerpo del segundo.

Goyescas, de Mr. Elliot, ganó ayer en Longchamp el premio Sabblons

PARIS, 2 (H). — Hoy se disputó en el hipódromo de Longchamp la carrera por el premio Sablons, de 100.000 francos, siendo ganada por el caballo Goyescas, de propiedad de Mr. Elliot.

La potranca Doña Sol ganó en el mismo hipódromo el premio Croisy, de 11.500 francos.

Gallant Sir ganó un handicap en Agua Caliente

AGUA CALIENTE, 2 (P). — Gallant Sir, cotizado favorito en la proporción de uno a cinco, ganó el 140. handicap de Agua Caliente, que tiene una prima de 25.000 dólares; entró segundo Waylayer, a un cuerpo del vencedor, y tercero Lemon Hills.

mos:

## **Valores Reales**

mero, damos calidad.

go, el precio más bajo que permite la calidad.

o, para "Los Gobelinos", esto no basta. En tradicional

## **Venta de Abril**

que hoy iniciamos

á, no sólo calidad y precio bajo, sino un surtido. Con toda razón podrá decirle a su amiga:

"Está visto. Conviene comprar en "Los Gobelinos".

te aviso servirán como ejemplo de las demás ofertas. Más aún: al aprovecharlas, podrá llevarse una muñeca como recuerdo de haber comprado bien.



AMERICAN BANK NOTE COMPANY.

SUBJECT

ARGENTINE CENTRAL BANK of ISSUE

J.C.  
JUN -1 1932

Rio de Janeiro

TO

New York

Asunción

DATE May 4 1933

C.P.R.  
JUN -5 1933

ack'd  
6/2/33

With reference to your letter of April 4th, received to-day. Sir Otto Niemeyer's report was published in the Buenos Aires papers on April 3rd. I mentioned the matter to our agents and to Dr. Piñeiro Sorondo when last there.

Sir Otto recommends five pesos as the lowest denomination for notes. Paragraphs 11 and 12 (part) of his letter submitting proposed law and statutes, read-

11. A Central Banking system can obviously not be completely effective unless and until there is a free foreign exchange based on a legal fixed parity for the national currency, to the eventual achievement of which all efforts must be directed. I do not, however, think it is possible at the present moment and in the existing confusion of most of the leading currencies of the world to take any definite decision as to the future value or even the future basis of the peso. I should contemplate, therefore, that this question must be regulated later, when it has been possible to abolish exchange control by a New Monetary Law. But that is no reason for not proceeding at once to the establishment of a Central Bank: rather the contrary, since not only do the difficulties of the intervening period demand coordinated guidance, but the Reserve Bank would in itself be a valuable means of arriving at a stable currency and a valuable adviser on the moment and figure of stabilization.....
12. The main features of the scheme may be summarised quite shortly: there should be a Central Reserve Bank which would absorb the functions of the Caja de Conversión, the Rediscount Commission and the Exchange Control Commission; would have the sole right to issue notes;.....

Article 26 of Proposed Statutes reads-

The Federal Government shall remain responsible for the minting of subsidiary coins of denominations under \$5 m/n but issues of coin shall only be made through the intermediary of the Bank and at its request.

In the event of the establishment of a Central Bank and of such Bank being free to have its notes printed abroad, we shall surely know of it in ample time.

Yours very truly,

*John D. ...*

JL



P



JUN -1 1933

JUN -1. 1933



RECEIVED



C. P. R.  
JUN 13 1933

May 18, 1933.

Messrs. Samuel B. Hale Company, Limited,  
Bne. Mitre 430,  
Buenos Aires, Argentina.

ARGENTINE CENTRAL BANK OF ISSUE.

Dear Sirs:-

Thank you for your letter of April 28th with enclosed clippings, giving the report of Sir Otto Niemeyer respecting his survey of Argentine's finances.

We note that adoption from Congress is necessary for the definite establishment of the Central Bank of issue.

We shall await with interest further developments.

Yours very truly,

Vice President.

SHL:grl



C.P.R.  
JUN -5 1933

Duplicate to Rio.

June 2nd, 1933.

John Lane, Esq.,  
c/o Messrs. Urrutia, Ugarte & Cia.,  
Casilla de Correo No. 1,  
Asunción, Paraguay.

ARGENTINE - Central Bank of Issue.

Dear Sir:-

We acknowledge receipt of your letter of May 4th, in which you transcribe paragraph 11 and part of 12 of Sir Otto Niemeyer's letter submitting proposed law and statutes relative to the Central Banking system.

We shall follow with interest the development of this plan.

Yours very truly,

Manager Foreign Department.

SHL:grl

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## AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINE CENTRAL BANK of ISSUE

J.C. 7/2/33  
JUL 21 1932Rio de Janeiro  
TO  
New York

Buenos Aires

DATE June 26 1933

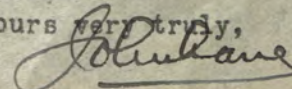
Your letter of May 18th, with enclosures as stated. It is apparent that the setting up of a Central Bank of Issue or Banco Central de Reserva involves several problems which will probably retard its realization for some time. Some of them are- the liquidation or exactly what to do with the Banco de la Nación; funds to set up a bank of issue which would mean a large external loan; balancing the budget; and action by Congress. The first is rather difficult; and the second, in present world conditions, is not very easy.

While the Niemeyer report, given out for publication, recommends the establishment of the Reserve Bank as soon as possible, it is not known what may have been recommended in his private report to the Argentine government or what in his report to the bankers in London. As with the Anglo-Argentine trade agreement - called here the Roca agreement - there may be conditions and stipulations on which depends the founding of a Reserve Bank of Issue. For instance,, the Roca agreement, which seeks to guarantee the Argentine against further reductions in its exports to England, involves two supplementary agreements:- one, in which the Argentine tariff will be combed to favor British exports; the other, a loan to release frozen ~~xxx~~ sterling obligations. All to be ratified by Congress. I understand that there is also a British reservation to the effect that the Roca agreement is susceptible to modifications due to agreements which may be reached in the World Economic Conference.

In case the Argentine Central Bank of Issue is set up and is free to have notes printed abroad and so decides, we shall undoubtedly have a chance to compete. If it is not free to do so, there may then be a chance to submit a proposition along the lines of the one we worked on in 1928 in connection with the Banco Hipotecario Nacional.

JL

Yours very truly,





Rio de Janeiro

New York

RECEIVED  
JUL 21 1933  
A



JUL 21 1933



JUL 21 1933

RECEIVED



C. P. R.  
JUL 24 1933

Rio de Janeiro

ARGENTINE CENTRAL BANK OF ISSUE.

July 22, 1933.

We hereby acknowledge receipt of your letter of June 26th relative to the problems which would have to be overcome before the Banco Central de Reserva could be established and we have read your letter with a great deal of interest.

The New York Times published a cable from Buenos Aires, under date of July 17th, from which it appears that there has been a governmental crisis involving the pending trade treaty with Great Britain and continued payments on foreign debts and that it is reported that Alberto Husyo, the Minister of Finance and other cabinet Ministers had presented their resignation.

It further appears that the treaty which was negotiated by Vice President Julio A. Roca on his visit to London had been meeting with considerable opposition in the Congress and as there has been so much delay over action on the treaty the British Government had lodged a formal complaint.

From your letter under reply we are glad to know that if the Central Bank is established and is free to issue notes and have them printed abroad we shall have an opportunity to compete on the order.

Yours very truly,

Manager Foreign Department.

CTB:grl

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593

Sub  
agencies



C. P. R.  
JUL 24 1933

*newspaper  
clipping*

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70 BROAD STREET  
NEW YORK, N.Y.



1933.

## CRISIS IN ARGENTINA OVER TRADE TREATY

By JOHN W. WHITE.  
Continued from Page One.

payments could be continued. Foreign interest in his resignation centres largely on the question of whether, if it is accepted, his successor will be such a staunch champion of maintaining Argentina's credit in foreign financial markets.

### Roosevelt Seeking Treaty.

Argentine opposition to the completion of the trade treaty with Britain is particularly significant in view of the campaign launched by President Roosevelt for trade pacts with Latin-American nations, including Argentina.

The fall in the value of the dollar, as well as the revival of business here, has changed the situation between this country and Argentina, and intimations have gone out from Washington that concessions might be made on Argentine meats and other products. In case the treaty with Britain should be defeated, the Buenos Aires Government would have a much freer hand in dealing with Washington.

Dr. Julio A. Roca, Vice President of Argentina, went to London last Spring and negotiated an Anglo-Argentine trade pact, the exact details of which were withheld pending formal ratification. On April 27, when Walter Runciman, president of the British Board of Trade, initialed the pact, it was learned that the agreement had two principal parts.

### Exchange Linked in Plan.

One involved exchange and provided for the thawing of "frozen" pesos in Argentina so that British exporters could get money for goods sold and British owners of railroad and other stocks in Argentina could get their dividends. Entailed in this was a grant by a British banking firm of a loan of £10,000,000 for twenty years at 4 per cent interest, to be issued at par with amortization to begin after five years.

In return for exchange concessions, the gist of which was that to Great Britain would be allowed such proportion of foreign exchange as she was entitled to, there was a meat agreement by which Argentine producers might export virtually up to the level prevailing before the Ottawa agreements.

It was said also that Argentine duties on 280 items, including automobiles, agricultural machinery and textiles, would be reduced to enable British manufacturers to enter the Argentine market.

The purpose of Dr. Roca's mission to London was to try to offset the serious effects of the Ottawa agreements on Anglo-Argentine trade.

### LISBON ACCEPTS TRADE BID.

Four Other Capitals Have Agreed to Discuss Our Proposal.

Special to THE NEW YORK TIMES.

WASHINGTON, July 17.—With

acceptances received from all of the countries invited to enter into individual trade-agreement negotiations with the United States, an informal official fact-finding committee began today a study of topics to be discussed.

The last acceptance was received from Portugal this morning, when Gabriel de Silva, Portuguese Chargé d'Affaires, called on Acting Secretary of State Phillips.

Acceptances already had come from Argentina, Colombia, Brazil and Sweden. The Brazilian acceptance was qualified, however, by the reservation that Brazil might at a later date submit definite proposals.

It is tacitly admitted in official circles that the primary object of the conferences is to make a beginning toward a Pan-American trade alliance. The inclusion of Sweden and Portugal in the invitations is ascribed either to tactical reasons or to reports that these nations export products of direct interest to the United States and furnish excellent possibilities as users of additional exports of American machinery.

It is noted that Portugal is the source of cork and, should prohibition be repealed, it is the primary source of supply for port wine. Sweden has pulp wood, mineral ores and many varieties of fish to export.

In preparation for the trade conferences a large staff under the chairmanship of Charles M. Barnes of the treaty division of the State Department has been designated to make special studies of topics to be discussed by the United States with the representatives of the foreign governments invited to confer.

This technical staff, called to meet on Monday, consists of representatives of the State, Commerce and Agriculture Departments, the Tariff Commission and the Industrial Recovery Administration. Among those who attended today's meeting were: Jefferson Caffrey, Assistant Secretary of State; Lynn R. Edminster of the Agriculture Department, Walter J. Donnelly of the Commerce Department, John H. Matthews of the Industrial Recovery Administration and Dr. Herman J. Brauer of the Tariff Commission.

A resolution warmly congratulating the administration for its "constructive stand" in initiating the negotiations and pledging support and cooperation in this move was adopted today at a meeting of American foreign trade interests held under the auspices of the American Manufacturers' Export Association.

Copies of the resolution were left at the White House and the State Department by a committee headed by Robert H. Sexton of New York.

The industries represented at the meeting were: Cotton textiles, automotive, steel, petroleum, drug and chemical, coal, heavy machinery, locomotive, motion pictures, heavy chemical, agricultural machinery, tires and automotive accessories.

### Kills Himself in Y. M. C. A.

William Graper, 64 years old, committed suicide early yesterday morning in his room at the Y. M. C. A. Building at 356 West Thirty-fourth Street by slashing his throat with a razor. His body was found by an employe, who had entered the room to clean it. Detectives said Graper had suffered financial reverses.



# The N

JUL 24 1933

Second-Class Matter,  
New York, N. Y.

## Case of 5 Americans; May Become Serious

NEW YORK TIMES.

Indication is given that the United States might feel the case had a decided similarity to the recent Russo-British incident if Mrs. Lockwood should suffer a breakdown.

The American Ambassador has also addressed a written note to the Foreign Minister. Authoritative reports from Majorca say that the Spanish military judge in charge of the case is highly prejudiced against Americans, has made strong open remarks about them and for that reason will not admit the accused to bail.

Spanish civil authorities have acted in complete accord with legal formalities, and since the striking of a member of the Guardia Civil is one of the worst offenses in Spain the case is complicated. It is hoped that Premier and Minister of War Azana, the strong man of the revolutionary Spanish régime, will see

Continued on Page Six.

## ARGENTINA IN CRISIS ON BRITISH TREATY

Finance Minister Offers to  
Quit After Dispute Over  
Pending Trade Pact.

### OTHERS REPORTED IN RIFT

New Offer for Commercial  
Treaty Made Recently by  
President Roosevelt.

By JOHN W. WHITE.

Special Cable to THE NEW YORK TIMES.

BUENOS AIRES, July 17—A governmental crisis involving the pending trade treaty with Great Britain and continued payments on foreign debts resulted tonight in an offer of the resignation of Finance Minister Alberto Hueyo. President Justo is trying to get him to withdraw the resignation.

There were reports also that Foreign Minister Saavedra Lamas had resigned and that two other Ministers were ready to follow him as the result of their opposition to ratification of the treaty with Britain. The Foreign Minister, however, denied that he had resigned and he added that he had no differences with Señor Hueyo.

#### Opposition Also in Congress.

The treaty, which was negotiated by Vice President Julio A. Roca on his visit to London, has also been meeting with considerable opposition in Congress. It is on the order of the day for debate in the Chamber of Deputies tomorrow and it is stated in Congressional circles tonight that the opposition to it will be led by Deputy Federico Pinedo, leader of the government majority in the Chamber. Such action by him would create an embarrassing political situation in addition to the crisis in the Cabinet.

There has been so much delay over action on the treaty that the British Government last week lodged a formal complaint. On the same day it was said unofficially in London that because of this delay there would be further reductions in British imports of Argentine chilled meats.

Roland Fraser, special British commissioner, and a committee of advisers have been trying since the middle of June to complete the trade deal by negotiating the protocol on tariffs and quotas which is to be an integral part of the pact. The Argentine negotiations have been under the supervision of Señor Hueyo.

He opposes ratification on the ground that tariff concessions to Britain will seriously curtail Argentina's customs revenues. His delay and the British protest are believed to have precipitated the present Cabinet crisis, although in government circles it is said that his resignation was directly due to the opposition of several Ministers to his financial program. They have especially objected to his proposed curtailment of budget expenses in order to meet obligations to foreigners.

#### Insists on Payments.

Señor Hueyo has steadfastly insisted upon Argentina's continuing to make prompt payment of her foreign obligations, despite the opposition of several other Ministers and also Congressional opposition. The Congress at the last session passed a law suspending sinking fund payments on the foreign debt, but Señor Hueyo refused to be guided by the law.

The heavy decline in the dollar has decreased Argentina's foreign obligations about 25 per cent, and Señor Hueyo insisted that the country's finances were such that

Continued on Page Two.

BERMUDA \$50 Round Trip 21,000-ton ships.  
Twice Weekly Sailings. Next sailings  
July 22, 29. Munson, 67 Wall. Adv.



C. F. R.  
FEB 28 1935

January 16th, 1935

Messrs.  
Samuel B. Hale Limiteda,  
Bme. Mitre 430, Buenos Aires.

Dear Sirs:

Newspaper reports here have it that the Argentine Congress is about to consider a bill to change the banking and monetary system of the nation along the lines suggested by Sir Otto Niemeyer when he was in Buenos Aires about two years ago.

It is possible that a complete replacement of the entire circulating medium is contemplated. If so, there would probably be a chance of the Government having some, if not all, its notes printed abroad, thereby affording us an opportunity.

It will be a great favor if you will kindly send me as much information as you can in the matter. Thanking you in advance,

Very truly yours,

JL



Copy for L.V. Office



100-15-1000

January 1935

Mr. J. Edgar Hoover  
Federal Bureau of Investigation  
Washington, D.C.

Dear Sir:

Enclosed for you are two copies of the

report of the Committee on the

Condition of the Banking and Monetary System of the Nation

along the lines suggested by the Committee.

It is possible that a complete replacement

of the entire circulating medium is contemplated.

It is possible that a complete replacement

of the entire circulating medium is contemplated.

It is possible that a complete replacement

of the entire circulating medium is contemplated.

It will be a great favor if you will kindly

send me as much information as you can in the matter.

Thanking you in advance,

RECEIVED



JAN 31 1935



C. F. R.  
FEB 28 1935

1-18-35

File

## ARGENTINA PLANS A CENTRAL BANK

Bills Provide Strict Control of  
Private Financing and Aid in  
Thawing Frozen Assets.

### ALLOW ADDED CURRENCY

Government Permitted to Issue  
New Money Equal to 20 Pesos  
Per Capita of Population.

By JOHN W. WHITE.

Special Cable to THE NEW YORK TIMES.

BUENOS AIRES, Jan. 17.—The government has sent five bills to Congress providing for the establishment of a central bank of issue and a complete reorganization of the country's banking and monetary systems.

Under the bills a large part of the outstanding budget deficits and the government's floating debt would be converted into currency. One project provides for strict government supervision and control of private banking. Another establishes a rediscount organization to help private banks thaw their present large holdings of frozen assets.

The central bank would have an authorized capital of 30,000,000 pesos, equivalent to approximately \$7,500,000, of which only 20,000,000 pesos would be paid in immediately. Of this latter amount the government would subscribe half and private banks would be compelled to subscribe the other half in proportion to their capital. No single bank would be required to subscribe more than 2,000,000 pesos.

### Twelve Directors Planned.

The board of directors is to be composed of twelve members of whom the government would appoint three, including the President and the Vice President, all to serve for seven years.

Stabilization of the peso is not contemplated in the government's project. It is planned that the central bank eventually will take over exchange operations which are now under the government's control. Private banks would be required to keep on deposit in the central bank half of their cash reserves.

The gold conversion office would be abolished and its gold holdings would be transferred to the central bank. Outstanding currency is to be called in, under the plan, and the central bank is to issue new bills of an equivalent amount. Notes of 5 peso denomination and smaller, as well as coins, would be issuable by the government rather than the central bank. The outstanding amount of this small currency could be increased by an amount equivalent to 20 pesos per capita of the population. [The population of Argentina was officially estimated at 11,846,655 on Dec. 31, 1932.]

It is provided that the central bank must maintain reserves of gold and bonds equivalent to 25 per cent of the outstanding currency of denominations higher than 5 pesos. The government's issue of smaller denominations would have no guaranteed backing.

### Would Get Gold Holdings.

With the abolition of the gold conversion office, the government's debt to it would be transferable to the central bank in the form of non-interest-bearing bonds. As the government issued small notes and coins, half of them would be deliv-

erable to the central bank to reduce and eventually cancel this debt.

The floating debt is to be consolidated up to a total of 400,000,000 pesos by an issue of 3 per cent treasury bonds, to be taken over at par by the central bank and used as reserves to back up currency.

The entire project is being violently attacked by the newspapers opposed to the government of President Augustin P. Justo on the ground that it is inflationary. The Socialist bloc in Congress has issued a statement saying that it will not attend sessions in the hope of preventing consideration of the measures because of lack of a quorum. They are opposed not so much to the content of the projects as to the government's efforts to force them through hurriedly at an extra session.

my Times  
1/18/35



AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINA - Notes

Rio de Janeiro

TO

New York

DATE February 1 1935

I quote a letter, dated January 24th, received to-day from our agents in Buenos Aires-

We are in receipt of your favor of 16th inst. and in reply to same we beg to inform you that the bill to change the banking and monetary system of this country has now been submitted by the Government to the Congress, which as yet, has not started the discussion of same.

However, the Finance Sub Committee of the Argentine Senate has already considered the bill, suggesting alterations to some of the articles, and the Senate in full, is likely to discuss the matter during next week, from where it will be sent to the Chamber of Deputies.

According to some information obtained by us, the starting of the Central Bank will take place in around 8 months' time, it being rumored that the Presidency of same will be favored either to Dr. Alberto Hueyo or Dr. Enrique Uriburu, ex Finance Ministers.

Assuring you that we will keep you fully posted over future developments in this matter and furthermore, that we will forward you a copy of this bill, when same is finally adopted.

Yours very truly, Ricardo Pearson Hale, President.  
Miguel Piñeiro Pearson, Secretary.

When Sr. Diego Piñeiro Pearson came through Rio recently, I requested him to impress on his brother, who signed the above-quoted letter as secretary, the necessity and importance of following this matter closely in all its phases so that we could have a decent opportunity to act in time should occasion arise. He promised to do so and to consult his uncle, Senator Sanchez Sorondo, especially as to the political aspects - as to the bill's passage through Congress and the form it may take, etc.

Information here, subsequent to my letter of January 16th to Buenos Aires, is that the bill provides for a Central Bank with



Rio de Janeiro

TO  
New York

Date: January 1, 1933

I quote a letter, dated January 24th, received from  
day from our agents in Buenos Aires:

There is a report of your favor of 10th inst. and in  
reply to same we are to inform you that the bill to  
amend the Banking and Monetary Law of this country  
has not been submitted by the Government to the  
Congress, which is not stated in Buenos

Aires. However, the Finance and Commerce Committee of the Argentine  
Congress has already considered the bill, suggesting  
alterations to some of its articles, and the Senate  
is still in session to discuss the matter during the  
week, from where it will be sent to the Chamber of  
Deputies.

According to some information obtained by us, the  
effect of the Central Bank will take place in  
around 3 months' time, it being rumored that the  
proposed law will be favored either to the  
Alberto Moreno or to the Enrique Vighetto, as Finance  
Minister.

Assuming you that we will keep you fully posted over  
future developments in this matter and furthermore,  
that we will forward you a copy of this bill when  
same is finally enacted.

Yours very truly,  
Michael Antonio Carmona, Secretary.

Enc. 1. Diego Vighetto, Secretary of the Ministry of Finance.

Requested by to inform on the subject, was signed the Secretary.

Noted letter as secretary, the necessity and importance of following

in this matter closely in all its phases so that we could have a

first opportunity to act in time should occasion arise. We pro-

posed to do so and to consult his wife, General Sanchez Sorondo,

especially as to the political aspects - see to it that a message

from Congress and the Government is received.

Information here, where sent by the Ministry of Finance, is that the bill provides for a Central Bank with

to General Sorondo.

RECEIVED  
FEB 23 1933  
AMERICAN BANK NOTE COMPANY  
NEW YORK

FEB 24 1933  
AMERICAN BANK NOTE COMPANY  
NEW YORK



AMERICAN BANK NOTE COMPANY.

Rio de Janeiro

TO

New York

SUBJECT ARGENTINA - Notes

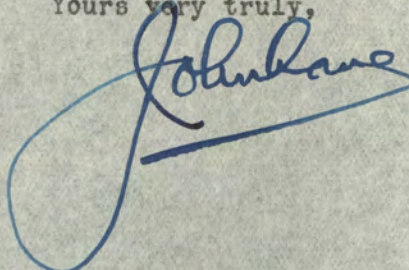
-2-

DATE February 1 1935

twelve directors; capital 30 million pesos, half to be subscribed by the National Government; the Bank to have sole right of note issue; its notes to replace all those in circulation, except those of one peso.

The Government probably counts on obtaining its half of the capital by the profit accruing from notes not presented for redemption or outlawed.

Yours very truly,

A large, stylized handwritten signature in blue ink, appearing to read "John Lane". To the right of the signature is a small, handwritten checkmark.

JL

CHIEFTAIN BOND



Copy by AIR MAIL

Copy for NYOffice

C.F.R.  
FEB 28 1935

C.T.B.  
FEB 25 1935

February 2nd, 1935

Messrs.  
Samuel B. Hale Limitada,  
Buenos Aires.

Dear Sirs:

I thank you for your letter of January 24th. Newspaper reports here to-day announce that the Argentine Senate and Chamber of Deputies passed yesterday the Government's bill creating the Banco Central.

Our anxious interest right now is to know-

Is the new Bank at liberty to have its notes printed where it pleases - that is, to say, that it is not compelled to accept the production of the Casa de Moneda?

What is the number of notes in circulation to be replaced by the Bank's notes? That is, the quantity of each denomination, except those of one peso which, I understand, are to be replaced by coins? Can you be in close touch with the person or persons who shall be most influential in deciding the placing of an order for notes?

Please let me have your prompt advices and your suggestions as to what steps it would be best to take now.

Yours very truly,

JL



REC-55-1039  
O.T.B.

FOREIGN DEPT.  
A.B.N.CO.  
M A

A circular postmark from the American Bank Note Company, Toledo, Ohio. The postmark features a clock face with the time approximately 10:10. The text 'RECEIVED' is on the left, 'TOLEDO OHIO' is on the right, and 'AMERICAN BANK NOTE COMPANY' is at the bottom. The date 'FEB 23 1935' is stamped at the top.



AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINA - Notes

Rio de Janeiro

TO

New York

DATE February 9 1935

I quote from a letter, dated the 1st instant and received this morning from Buenos Aires-

I have delayed writing to you, as I wanted to see my uncle Matis, and to have an impression on what the political people thought about the note issue. The printing will surely be done in the country, although nobody knows much about it, or seems to care much either. Ricardo Pearson told me he had written to you about it also, after having seen Carlos Christophersen. Mr. Christophersen's opinion was that they would probably do something like they did with the stamps: appoint an advisory committee, and then do just the reverse of what the committee suggested - just like governments everywhere. Nothing doing, at present at any rate. Diego (Piñeiro Pearson)

The only communication I have had in this matter from Ricardo Pearson was contained in Hale's letter of January 24th and which I quoted in my letter of February 1st to you.

Yours very truly,

*John Lane*

C

15

JL



AMERICAN BANK NOTE COMPANY

FOREIGN DEPT  
A.B.N.CO.

1917-18

W. H. H.



ИПР-1 1933



C. F. R.  
MAR 15 1935

AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINA - Notes

Rio de Janeiro

TO  
New York

DATE February 21 1935

C. T. B.  
MAR - 7 1935

I received this morning a letter from our agents  
in Buenos Aires, dated February 13th and which I quote-

Regarding the first paragraph of your letter, we  
beg to point out that so far, only the Senate pas-  
sed, with minor modifications, the Government's  
bill creating the Banco Central, but as yet the  
Chamber of Deputies has not started the discussion  
of same.

With reference to the inquiries contained in your  
letter, we beg to inform you that we wish to ascer-  
tain the points from the right quarters, but unfor-  
tunately the principals have left on their summer  
vacations.

As soon as we are able to obtain the requested in-  
formation, we will not fail to keep you posted, and  
in the meantime, we are forwarding you by separate  
mail, a printed copy of all the financial projects,  
which undoubtedly you will find of interest.  
Axel Aberg Cobo, Vice-President.

Yours very truly,

*John Lane*

JL

copy filed under  
date 2/2/35



OT  
New York

FOREIGN DEPT  
A B 2001

VTAKID 2743

• 4000 • 4000 • 4000

RECEIVED



MAR -7 1935



C.F.R.  
MAR 18 1935

AMERICAN BANK NOTE COMPANY.

Rio de Janeiro

TO

New York

SUBJECT ARGENTINA - NOTES

Banco Central

DATE February 25 1935

With reference to my letter of February 21st, I enclose a copy of my letter of the 22nd to our agents in Buenos Aires.

Translations from "Banking & Currency Bills" submitted by the Chief Executive to the Argentine Congress:

Page 29.

.....of the currency in circulation on October 15th last, denominations of five pesos or less amounted to 186,400,000 (notes 150,400,000, nickel coins 35,100,000 and copper (900,000) in a total issue of 1,197,000,000 (pesos).

Page 79.

Art.34. The Bank is prohibited:

- a) Issuance of notes in denominations of five pesos national currency or less.

Page 80.

Art.35. During the period (40 years) for which it was created, the Bank shall have the exclusive privilege to issue notes in the Argentine Republic, except the subsidiary currency referred to in art. 5 of the Organization Law; neither the National, State, Municipal Governments, banks nor other institution whatsoever may issue notes or documents which, in the opinion of the Bank, might be susceptible to circulation as paper money.

Art.36. The Bank shall take charge of all the notes of denominations higher than five pesos national currency already issued by the Caja de Conversión and shall replace them by a new issue of notes of the Central Bank.

The future emission or coinage of subsidiary money in denominations of five pesos and lower (including nickel and copper coins) in charge of the Government, shall be made solely at the request of and through the Central Bank according to public needs; but in no case shall it exceed 20 pesos national currency per inhabitant.

Art. 37. The notes shall be in denominations higher than five pesos which the Directorate may decide.

Page 108.

Art. 5 (Organization Law). The notes of the present emission of the Caja de Conversión, transferred to the Central Bank and which be not presented for exchange within two years from the date on which the Bank may have commenced to issue the new notes, shall lose force as legal tender but they shall be exchanged in the Bank during the three subsequent years.

On the expiration of said period the balance, which may not have been presented for redemption, shall, after deducting the cost for replacing all the notes actually emitted, be transferred to the Reserve Fund of the Instituto Movilizador (a kind of "Crédit Mobilier" to release frozen assets of the banks). However, notes, which are presented at the Central Bank after the expiration of the aforementioned period, shall be exchanged



AMERICAN BANK NOTE COMPANY.

Rio de Janeiro

TO

New York

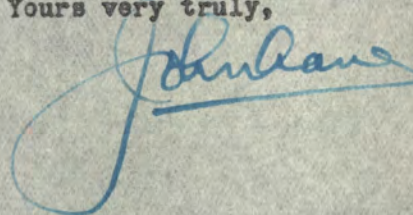
SUBJECT ARGENTINA - NOTES  
Central Bank

-2-

DATE February 25 1935

for notes of said Bank for account of the Government.  
Art. 6 Within the period of two years from the commencement of operations by the Central Bank and through its agency, according to art. 36 of the law establishing the Bank (Law No....), the Executive Power shall replace with new notes of legal tender the subsidiary notes of denominations of five pesos and less.  
All notes in circulation of denominations of five pesos or less shall cease to be legal tender at the expiration of said period but shall be exchanged for subsidiary coin on presentation to the Central Bank.

Yours very truly,



JL



SECTION DEPT.  
A.B.N.CO.



MAR 15 1935



CITY - AMSTERDAM  
Central Bank

MAR 15 1935

for notes of this bank on account of the Government  
and within the period of two years from the com-  
mencement of operations by the Central Bank and through  
its agency, according to art. 34 of the law establishing  
the bank (Law No. ....), the Executive Power shall replace  
with the notes of legal tender the subsidiary notes of  
denominations of five francs and less.  
All notes in circulation of denominations of five francs  
or less shall cease to be legal tender at the expiration  
of said period and shall be exchanged for metallic  
money on presentation to the Central Bank.

Yours very truly,

A handwritten signature in blue ink, appearing to be "J. J. ...", written over a horizontal line.



C. F. R.  
MAR 18 1935

February 22nd, 1935

Messrs.  
Samuel B. Hale Ltda.,  
Buenos Aires.

Dear Sirs:

I thank you for your letter of February 13th, received yesterday, and for the publication, "Proyectos sobre Bancos y Moneda" received to-day. The publication is certainly interesting and I shall translate such parts of it which New York most probably will like to have.

The newspaper report here was evidently incorrect; the Associated Press telegram read: O Senado e a Camara aprovaram a criação do Banco Central.

I appreciate very much your active interest in this matter which may prove of great import to the Company. I am looking forward keenly to your further advice and information.

On your said letter I am pleased to note don Axel's signature which I take to indicate his return to an active interest in business.

Very truly,

JL



FOREIGN DEPT.  
A.B.N.CO.



MAR 15 1934



MAR 15 1934

[Faint, mostly illegible text body of the document, appearing to be a letter or report.]



ARGENTINE NOTES

DUPLICATE SENT

C. F. R.  
FEB 28 1935

February 27, 1935.

Original via Air Mail

We acknowledge receipt of your letter of February 1st, in connection with the proposed law for the formation of a Central Bank in the Republic of the Argentine, which we have read with a great deal of interest.

We have just had a telephone conversation with Mr. Bogden of J. Henry Shroder Trust Corporation, New York, who has just returned from Buenos Aires. He was kind enough to inform us of the prospective law for the establishment of the aforementioned Central Bank of issue. From what he said it appears that the law will probably be passed by the Senate in about ten days time. He further informed us that he had had a talk with the Minister of Finance and, in the course of conversation, remarked that he hoped the order for the notes would not necessarily be placed in London. The Minister replied that any other firm caring to submit prices would be given equal consideration.

Mr. Bogden mentioned that low prices would be a very deciding factor in the securing of the order, and also that we would have very keen competition from an English firm (B.W. & Co.), as their agents - Leng, Roberts & Co. also act for Messrs. Baring Brothers of London, who are in close financial relations with the Government of the Argentine. We did not disclose to Mr. Bogden the close relations we have with B.W.

We undoubtedly will also have to meet competition from Waterlow and De la Rue when the time comes for submitting prices.

In the meantime we should not lose any opportunity to interest the government officials and such Deputies who have influence in the country,



ARGENTINE NOTES

February 27, 1935.

Original via air mail

-2-

in connection with the class of work which we do.

From our records we see that the specimens of bank notes which S.B.Hale Co. have are old, and we will proceed, therefore, with the preparation of a new collection of specimens of some of the latest notes we have engraved and printed.

Please let us know if you would rather have us send these specimens direct to them or to you, in order that you could either deliver the unit personally to our agents or send same on from Rio.

In view of the importance of this projected bank note issue we would be glad to prepare models for an entire set of notes, as soon as we have something to go by, or if we can not soon get some details we could prepare models embodying our own ideas. In the meantime could you find out for us if they have settled on any definite sizes and denominations for the notes they propose issuing?

Considering the great importance of this business it would be well for you to go to Buenos Aires to look things over and help and advise S.B.Hale Co. and encourage them again to take an active interest. A visit from you at the very beginning of the negotiations would, we believe, be of great benefit to us, if we could get close to the officials as soon as the projected law becomes effective.

From S.B.Hale Co's letter to you we see that according to information they have received, the starting of the Central Bank will take place in about eight months' time. If that is the case, no time should be



ARGENTINE NOTES

February 27, 1935.

Original via air mail

-3-

lost in the engraving of the dies, if the notes are to be delivered toward the latter part of this year.

We urge upon you the necessary of getting after our agents in the Argentine in connection with this matter.

Please advise us if there is anything in the way of models or other material which you would like us to send you, which you consider would be of assistance to you and to Messrs. S.B. Hale Ltd.

Awaiting your further advices in connection with this proposed issue, we remain,

Yours very truly,

Manager Foreign Department

CTB/IW

OTHER COPY IN  
PACKET 593 sub agt



# ARGENTINA PLANS BIG GOLD RESERVE

Revaluation Will Provide 103½  
Per Cent Currency Backing,  
Says Finance Minister.

DENIES INFLATION IS LIKELY

Pinedo Insists New Central Bank  
Will Not Expand Circulation  
Despite Power to Do So.

By JOHN D. WHITE.

Special Cable to THE NEW YORK TIMES.  
BUENOS AIRES, March 1.—Finance Minister Frederico Pinedo has issued a statement explaining that the government's gold revaluation scheme, in connection with its central bank project, will provide a gold reserve of 103½ per cent for Argentina's currency. This will give Argentine the currency highest gold backing in the world. His figures show the paper peso

to be worth approximately 23¼ cents in gold, as against the present quotation here of 44 cents.

The government will make a profit of 500,000,000 pesos by revaluation. It has announced it will pay off from this profit its debts to the Bank of the Nation and to the Gold Conversion Office, which will provide capital for the new bank. The new bank is to take over the frozen credits of private banks.

Señor Pinedo insists that the operation is not intended as a revaluation of the paper peso, which he says will not be undertaken until the pound and the dollar are stabilized.

The gold stock now held by the Gold Conversion Office totals 247,000,000 gold pesos of 1.6129 grams of .900 purity. At the present legal ratio of 2.27 pesos per gold peso, this gold is worth 561,000,000 paper pesos. Circulating currency totals 1,202,000,000 pesos with a gold backing of 46.66 per cent more.

Señor Pinedo's statement says this gold stock will be transferred to the Central Bank at a valuation of 1,061,000,000 pesos as backing for currency to a total of 1,025,000,000 pesos, which the Central Bank will take over. Notes of five pesos' denomination and smaller are not to have any backing.

The government's financial project is being bitterly fought in the Chamber of Deputies by the Social-

ist and Progressive Democratic blocs on the ground that it paves the way for inflation. The bill authorizes the Central Bank to increase the currency until the gold backing is reduced to 25 per cent. The Opposition argues, therefore, that the currency can be legally quadrupled.

Señor Pinedo insists there will be no inflation because the country does not need any larger circulation and, therefore, the Central Bank will not issue more paper pesos, even though it is empowered to do so.

Socialist Deputies charged in a debate last night that Señor Pinedo had tried to prevent public discussion of his financial projects and that he had requested the newspapers on patriotic grounds not to criticize the measures.

Opposition in the press has ceased except in the Prensa, which continues daily editorial attacks against what it describes as "the danger of unbridled inflation." The government is using the radio to fight the Prensa's campaign. Each station is required to broadcast daily a long official statement refuting the Prensa's criticisms.

The Chamber of Deputies has already defeated the government's effort to rush its project through, as was done in the Senate, where

it passed without amendment. The Chamber's budget commission has introduced several modifications which will necessitate returning the bills to the Senate for reconsideration.

The debate in the Chamber disclosed that Argentine banks had frozen credits totaling 367,000,000 pesos, of which 233,000,000 were in the Bank of the Nation. The project now before Congress provides for the establishment of a government banking institution to buy these frozen credits and to liquidate them unhurriedly as opportunities arise.

The Socialists are fighting this project, particularly on the ground that it is designed to benefit prominent Conservatives who came into power with the 1930 revolution and used their political positions to obtain huge credits from the banks.

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## MINORITY FEARS INFLATION

Huge Emissions Are Authorized,  
but Government Promises  
Not to Make Them.

Special Cable to THE NEW YORK TIMES.  
BUENOS AIRES, March 2.—The Chamber of Deputies last night passed the government's financial projects, establishing a central bank of issue and completely reorganizing the country's entire banking and monetary systems.

As the bills passed the Senate before going to the Chamber, they will become law as soon as the Senate approves minor amendments introduced by the Deputies. The government has accepted these amendments, so they are expected to be pushed through the Senate for President Agustin P. Justo to sign within a few days.

The new banking and monetary legislation consists of five laws.

The first creates a central bank of the Argentine Republic. The second, a general banking law, provided for government control of private banks. The third creates a rediscount institute for liquidation of frozen bank credits. The fourth modifies the laws governing operation of the Bank of the Argentine Nation and the National Mortgage Bank. The fifth is a general organization law for the operation of the central bank and rediscount institute.

### Socialists Fight Bills.

The session was unusually stormy, due to strenuous opposition from the Socialists. They did not op-

after the Socialists and National Democrats left the Chamber.

The Central Bank Law abolishes the gold conversion office and transfers its gold stock to the central bank. This gold stock, approximately 247,000,000 gold pesos [the gold peso is worth 71.87 cents] will be transferred to the central bank at a new valuation of 1,061,000,000 paper pesos. This will provide a paper currency with gold backing of 103½ per cent, but will reduce the nominal value of the paper peso to 23¼ cents gold.

Socialists throughout the debate kept hammering at the point that the Central Bank Law permits an increase of the currency to double the present circulation under its minimum provisions or quadruple under the maximum provisions.

The law authorizes the central bank to increase the currency until gold backing is reduced to 25 per cent.

### Finance Minister's Pledge.

Finance Minister Frederico Pinedo, present during the debate, assured the Deputies that the present government would not increase the currency above its present total. Socialists argue this is no guarantee against inflation by future governments. They added experience has shown that when emission is once authorized it is eventually used.

The Chamber removed the final obstacle to political control of the bank by abolishing the clause that barred members of Congress, provincial legislatures or municipal councils from the board of directors.

Revaluation of the gold stock will give the government a profit of more than 500,000,000 pesos, with which it can pay off its debt to the Bank of the Nation and gold con-

not intend to print new money for that amount.



U.S. BOND QUOTATIONS	Figures after decimals are 32ds.
June, 1939	101.9
Sept., 1938	101.7
June, 1938	101.5
Mar., 1938	101.3
Sept., 1937	101.1
Apr., 1937	100.9
Feb., 1937	100.7
Dec., 1936	100.5
Sept., 1936	100.3
June, 1936	100.1
Apr., 1936	99.9
Feb., 1936	99.7
Dec., 1935	99.5
Sept., 1935	99.3
June, 1935	99.1
Mar., 1935	98.9
Sept., 1934	98.7
Jan., 1934	98.5
Sept., 1933	98.3
Jan., 1933	98.1
Sept., 1932	97.9
Jan., 1932	97.7
Sept., 1931	97.5
Jan., 1931	97.3
Sept., 1930	97.1
Jan., 1930	96.9
Sept., 1929	96.7
Jan., 1929	96.5
Sept., 1928	96.3
Jan., 1928	96.1
Sept., 1927	95.9
Jan., 1927	95.7
Sept., 1926	95.5
Jan., 1926	95.3
Sept., 1925	95.1
Jan., 1925	94.9
Sept., 1924	94.7
Jan., 1924	94.5
Sept., 1923	94.3
Jan., 1923	94.1
Sept., 1922	93.9
Jan., 1922	93.7
Sept., 1921	93.5
Jan., 1921	93.3
Sept., 1920	93.1
Jan., 1920	92.9
Sept., 1919	92.7
Jan., 1919	92.5
Sept., 1918	92.3
Jan., 1918	92.1
Sept., 1917	91.9
Jan., 1917	91.7
Sept., 1916	91.5
Jan., 1916	91.3
Sept., 1915	91.1
Jan., 1915	90.9
Sept., 1914	90.7
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Sept., 1913	90.3
Jan., 1913	90.1
Sept., 1912	89.9
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Sept., 1893	82.3
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Sept., 1892	81.9
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Sept., 1891	81.5
Jan., 1891	81.3
Sept., 1890	81.1
Jan., 1890	80.9
Sept., 1889	80.7
Jan., 1889	80.5
Sept., 1888	80.3
Jan., 1888	80.1
Sept., 1887	79.9
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Sept., 1886	79.5
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Sept., 1881	77.5
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Sept., 1876	75.5
Jan., 1876	75.3
Sept., 1875	75.1
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Sept., 1873	74.3
Jan., 1873	74.1
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Jan., 1871	73.3
Sept., 1870	73.1
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Sept., 1848	64.3
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Sept., 1840	61.1
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Sept., 1767	31.9
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Sept., 1745	23.1
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Jan., 1733	18.1
Sept., 1732	17.9
Jan., 1732	17.7
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Jan., 1731	17.3
Sept., 1730	17.1
Jan., 1730	16.9
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Jan., 1729	16.5
Sept., 1728	16.3
Jan., 1728	16.1
Sept., 1727	15.9
Jan., 1727	15.7
Sept., 1726	15.5
Jan., 1726	15.3
Sept., 1725	15.1
Jan., 1725	14.9
Sept., 1724	14.7
Jan., 1724	14.5
Sept., 1723	14.3
Jan., 1723	14.1
Sept., 1722	13.9
Jan., 1722	13.7
Sept., 1721	13.5
Jan., 1721	13.3
Sept., 1720	13.1
Jan., 1720	12.9
Sept., 1719	12.7
Jan., 1719	12.5
Sept., 1718	12.3
Jan., 1718	12.1
Sept., 1717	11.9
Jan., 1717	11.7
Sept., 1716	11.5
Jan., 1716	11.3
Sept., 1715	11.1
Jan., 1715	10.9



COPY via AIR MAIL

COPY for NYOFFICE

C. F. R.  
MAR 27 1935

*Rehyn*  
3/26/35

RIO DE JANEIRO  
March 7th, 1935

Messrs.  
SAMUEL B. HAILE Ltd.,  
Buenos Aires.

BANCO CENTRAL

Dear Sirs:

I have just been advised by New York that there is certain information from reliable outside sources to the effect that the new Banco Central will have its notes printed abroad. This would seem to contradict my information that the Casa de Moneda would do the work. If the former be true, there would be keen competition from Waterlow, De la Rue and Leng, Roberts. In any event, it is essential that we know as early as it be possible so that we can prepare fresh models, etc., though you you have models, made in 1925, of a 1 and a 1000 peso note, together with a schedule of sizes for some 9 denominations. These latter can be of temporary use.

In addition to the queries made in my letter of February 2nd to you, a further help would be to know the size of each of the various denominations the Banco Central decides to have. It would also be of great help to know if the Banco Central or its organization committee is inclined towards watermarked notes rather than all steel engraved notes. It would be well to get into very close touch with the powers that be and show them the superiority of steel engraved notes over the watermarked kind. Argentina has had ample experience with the watermarked product of the Casa de Moneda.

Please telegraph me, "Banknote, Rio", when you receive this letter or as early thereafter as possible, whether you believe I should go to Buenos Aires now or whether I should await your later advices.

Anticipating your prompt and valued advices,

Very truly,

*John H. ...*

JL

RECEIVED  
MAR 28 1935  
U.S. DEPT. OF TREASURY  
WASHINGTON, D.C.



COPY FOR NOTICE

FOREIGN DEPT  
S. B. N. CO.

RECEIVED  
MAR 22 1935



RECEIVED  
MAR 22 1935

MAR 22 1935

Post Office

I have just been advised by New York that there is  
certain information from reliable sources to the effect  
that the new Banco Central will have the notes printed abroad.  
This would seem to contradict my information that the Banco de  
Paraguay would do the work. If the former be true, there would  
be some competition from abroad, as in the case of the  
in the event, it is essential that we have an early start in  
order to be sure we can produce fresh notes, etc. though you  
and your models, some in this of a 1 and a 1000 note, to  
be ready in a number of days for some of the requirements of  
Paraguay can be of temporary use.  
In addition to the question made in my letter of 21 Feb-  
ruary, I am sure, a further help should be to know the size of  
each of the various denominations the Banco Central wishes to  
have. It would also be of great help to know if the Banco Cen-  
tral or the organization committee is inclined towards any  
certain notes rather than all sizes and would not. It would be  
well to get into very close touch with the people that be and  
know that the organization of local currency notes over the  
entire world kind. Argentina has had quite experience with the  
unpublished notes of the Banco de la Republica.  
I have a photograph of "Banco de la Republica" and you receive  
this letter as a very interesting as possible, whether you be  
I have I should go to Buenos Aires now or whether I should wait  
your later advice.  
I am, Sir, very much and with respect,  
Yours very truly,  
W. H. H. H.

RECEIVED



MAR 22 1935



AMERICAN BANK NOTE COMPANY.

AIR MAIL

Rio de Janeiro

SUBJECT ARGENTINE NOTES

TO

New York

DATE March 8 1935

C. P. R.  
MAR 18 1935

I am in receipt of your air mail letter of February 27th and I enclose a copy of my letter of yesterday to our agents in Buenos Aires. I should have a telegram from Hale at the beginning of next week.

In the event of specimens and models, it would be advisable to send them direct to Hale.

Any fresh propaganda literature would be acceptable - also some of the folders of steel engraved work sent me in 1929: such material can be mailed to me here.

Yours very truly,

*John Kane*

JL

Rec'd in N.Y.  
3/8/35 - & filed  
under above  
date 3/7  
enclosure for filing



Rio de Janeiro

TO  
New York

FOREIGN DEPT.  
A. B. N. CO.

STANDARD TIME

1935

APR 8



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RECEIVED



MAR 15 1935

MAR 15 1935

In the event of questions and delays, it  
would be advisable to send them direct to him.  
Any fresh propaganda literature would be  
acceptable - also some of the letters of steel en-  
graved work sent me in 1933. Such material can be  
sent to me here.

Yours very truly,



Copy by AIR MAIL to NY Office

C.F.R.  
MAR 27 1935

*Accepted*  
*3/26/35*

RIO DE JANEIRO  
March 12th, 1935

Messrs.  
SAMUEL B. HAILE Ltd.,  
Buenos Aires.

BANCO CENTRAL

Dear Sirs:

I thank you for your telegrams, of  
March 11th,

ESCRIBIMOS MAÑANA AEREO HAILE  
and of March 12th,

CARTA SALDRÁ RECIÉN SÁBADO ESPERAMOS  
INFORME IMPORTANTE HAILE

*no copies  
rec'd for  
filing*

I am awaiting your advices with great  
interest.

Very truly yours,

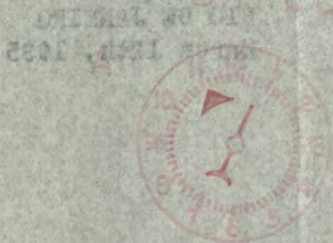
JL





Copy by AIR MAIL to NY Office

FOREIGN DEPT  
A. B. N. CO.



MAR 22 1935

RECEIVED

Dear Sir:

I thank you for your letter of

March 11th,

concerning the matter of

and of March 11th,

of the same date, which I have

been awaiting your decision with great

interest.

Very truly yours,

RECEIVED



MAR 22 1935



Argentina - Notes

March 14, 1935.

We acknowledge receipt of your letter of February 21st.

Since writing to you on the 27th on this subject we have seen reports published in the local papers that on March 1st the Chamber of Deputies passed the Government's financial projects establishing a Central Bank of Issue and completely reorganizing the country's entire banking and monetary systems. The report added that the bills passed by the above Chamber will become law as soon as the Senate approves the minor amendments introduced by the Deputies.

The chief point we have to impress upon the government officials in the Argentine is that the printing of bank notes by a government bureau is both politically and economically unsound. A government printing bureau is generally under the jurisdiction of the Minister of Finance and the appointment of the employees, especially the heads of the departments, is nearly always due to political influence. This means not only that with the changes in the government the corresponding changes must take place in the management of the printing bureau, but it also means that very often the management is placed in the hands of persons who have no practical knowledge, or training, in the art of engraving and printing. It also frequently happens that a government printing bureau is a department in which persons, with



ARGENTINA - Notes

March 14, 1935.

-2-

political influence behind them, or due to party affiliations, are placed by the powers that be, when no other convenient job can be found for them. It is true, beyond a shadow of a doubt, that the printing of bank notes, stamps, bonds, or any other document of monetary value, by a government bureau, is a mistake. If all the charges and expenses in a government printing bureau, incurred in the printing of the notes, were charged up to the quantities prepared, the actual cost of the same would be far in excess of the prices charged by a Bank Note Company.

A further point, and one which should not be lost sight of, is the danger of illegal over issues of notes, which could so easily happen in a government printing bureau. This is an important point when a note issue is a Government one, but it is even more important when the issue is made by a bank.

A Central Bank of Issue, even though controlled by the Government, should have no connection whatsoever with the government printing bureau, insofar as the printing of its notes and other documents of value are concerned.

It may be of interest to you to know that in Mexico, where there is a large government printing bureau, in which are printed the postage and revenue stamps, and bonds issued by the Mexican Government, we are, nevertheless, printing the notes for the Banco de Mexico, S.A., the Central Bank of Issue in that country, and this in spite of the



ARGENTINA - Notes

March 14, 1935.

-3-

fact that the Government of Mexico is one of the most nationalistic governments in the world, and is doing everything in its power to have everything made in Mexico which can be done there.

Both the Government and the bank officials fully realize the importance of having their notes made by an independent reliable Bank Note Company. They know that if the notes were printed in the government bureau the public would soon lose confidence in the issue, due to the liability of over issues.

There have been, during the last few years, repeated scandals due to the illegal and false issues of revenue stamps in that country, to the extent that some of the unauthentic stamps were even printed from the dies in the possession of the government bureau.

The public realizes what it would mean if bank notes were printed locally. A bank would lose prestige and the public, as we said before, would lose confidence in the bank notes.

You may have had the same experience that the writer has had and that is, that many people in different countries have told him the Imprint of the American Bank Note Company is an added security to a bank note, due to the fact that the public know that only the legally authorized issue will be printed.



ARGENTINA - Notes

March 14, 1935.

-4-

In opposing the government's bill to print its notes in its own printing bureau we would, to a great extent, be fighting our competitors' fight as well as our own, so we must look ahead and establish our position at the very start with the bank officials and the government officials, in such a way that it is we who would secure the fruit of our efforts.

We must leave no stone unturned to secure this business and we are ready to cooperate with you and assist you in every way in your negotiations to that end. We know you are looking after our interests and following this business closely. Do not hesitate to let us know if there is any material or information which you would like to have to help you.

Yours very truly,

CTB/IW

Manager Foreign Department

593 Sub Agt.



ARGENTINA - Notes - Banco Central

March 15, 1935.

C.F.R.  
MAR 18 1935

We have for acknowledgment your letters of February 25th, together with enclosure mentioned therein, and of March 8th, for which we thank you. With the latter we did not receive any enclosure; undoubtedly it will come forward with the copy of your letter by ordinary mail.

We have taken due note that any specimens or models should be sent direct to Hale & Co. and also that you would be glad to receive any fresh material or propaganda, to assist you in securing this business.

Under separate cover we are sending you 12 of the stamp booklets which you asked for, and with regard to propaganda and material, we believe we have already covered this point in our letter of March 14th, on this subject.

Yours very truly,

CTB/IW

Manager Foreign Department

OTHER COPY IN  
BAGKET 593 Sub dgt.



C. F. R.  
MAR 27 1935  
A. B. N. Co.  
N. Y.

D.E.W.  
MAR 18 1935  
C.T.B.  
MAR 18 1935

*Adm'd  
3/26/35*  
Rio de Janeiro, rec'd. March 18, 1935.

IRDOB Refer to your letter of 27th  
IKGAR Samuel B. Hale Limitada, S. A. Buenos Aires, Argentina  
AWVYH has informed me  
EPTOX absolutely sure  
IHLAK Casa de Moneda, Buenos Aires, Argentina  
APLOG will do  
EHRIX printing

---

(John Lane)

*C*  
(grl)

OTHER COPY IN

PACKET

*593 Sub Agt.*



U.S. DEPT. OF AGRICULTURE  
BUREAU OF PLANT INDUSTRY  
WASHINGTON, D. C.

1900

FOREIGN DEPT  
A. B. N. CO



MAP 18 1035



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THE INTERNATIONAL SYSTEM

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Telegraph



Commercial  
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Mackay Radio

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AND ALL  
OTHER DEPARTMENTS

BOWLING GREEN 9-3800

JOHN L. MERRILL, PRESIDENT

67 BROAD STREET, NEW YORK

THE FOLLOWING TELEGRAM WAS RECEIVED

"VIA ALL AMERICA"

RI 23 RIO 9 18 125 PM

BANKNOTE NYK -

IRDOB IKGAR AWVYH EPTOX IHLAK APLOG EHRIX .

CDE

DEL 830 MAR 18 '35



MAR 18 11 31 AM '35

DEL



CDE

DEL 8:30 MAR 18 35



AMERICAN BANK NOTE COMPANY.

AIR MAIL

Rio de Janeiro

TO

New York

SUBJECT ARGENTINE NOTES

DATE March 18 1935

My telegram of March 18th to you reading-

Refer to your letter of 27th. Samuel B. Hale Ltd. has informed me absolutely sure Casa de Moneda, Buenos Aires, will do printing.

I enclose copy of my letter of even date to Messrs. Hale and quote their letter of March 15th to me-

In due course we received your favors of 22nd. ulto. and 7th. inst. contents of which we have duly noted and now beg to confirm our telegram of 11th. and 12th. inst.

We delayed in forwarding you the information requested in your letters, because we were waiting for the return from Mar del Plata of Dr. Enrique Uriburu, who as we informed you in our letter of 24th. January last, is a likely candidate for the Presidency of the Banco Central.

Our Messrs. Axel Aberg Cobo and Dr. Miguel Piñeiro Pearson called on this gentleman on the 12th. inst. and discussing the main point of your Coy.'s interest whether there was a possibility of placing the printing order of the notes abroad, Dr. Uriburu rang up the Finance Minister Dr. Federico Pinedo and was informed by him that in all probability the printing of the notes would be done by the Casa de Moneda, as the Government already had the necessary paper, duly numbered, imported from Italy; paper which has been handed to the Caja de Conversión to be passed on to the Casa de Moneda after being counted and controlled.

As Dr. Uriburu informed us that he was lunching with the Finance Minister on the following day, we asked him to refer the matter again with Dr. Pinedo, and therefore we cabled you on the 12th., as follows: "Carta saldrá recién sabado esperamos informe importante".

Dr. Uriburu called us up on the telephone on the 13th. inst. informing that the result of his conversation with the Finance Minister, unfortunately confirmed his previous statement.

It seems impossible that in New York there can be any other information than the above written, because we have taken great care to get into direct contact with the Finance Minister. Referring to the bills, changing the banking and monetary systems, we beg to inform you that the Chamber of Deputies approved same with some alterations, therefore it has been passed again to the Senate for their approval, and in case this happens, the bills will have the force of Law.

Yours very truly, Axel Aberg Cobo, V-P. Miguel Piñeiro Pearson, Sec.

It is possible that BW has other information.

Yours very truly,

JL

*John Lane*

593 Sub B  
agt.



Rio de Janeiro  
New York

AIR MAIL

DATE MARCH 13 1935

RECEIVED

AMERICAN BANK NOTE COMPANY



MAR 29 1935

My telegram of March 13th to you reading-

Refer to your letter of 27th. Samuel R. Silva has informed me absolutely sure that de Monaca, known alias, will be printing.

I enclose copy of my letter of even date to Messrs. Hale and quote their letter of March 13th to me-

In due course we received your favor of 22nd. March, and the contents of which we have duly noted and have been informed that our telegram of 13th. and 14th. that we delayed in forwarding you the information requested in your letter, because we were waiting for the return from Mr. de Silva of Mr. Enrique Uriburu, who has been informed you in our letter of 22nd. January last, is a likely one. It is for the record of the Banco Central.

Our records show that Mr. Uriburu and Mr. Miguel F. de Silva were called on this gentleman on the 13th. March, and discussing the main body of your Gov.'s interest in the matter, the possibility of locating the printing of the bills, and Mr. Uriburu gave us the Finance Minister's name, Mr. de Silva, and was informed by him that in all probability the printing of the notes would be done by the Casa de Moneda, as the Government already had the necessary paper, and purchased, imported from Brazil, paper which had been handed to the Casa de Moneda to be passed on to the Casa de Moneda after being counted and controlled.

Mr. Uriburu informed us that he was lunching with the Finance Minister on the following day, we asked him to mention the matter again with Mr. Uriburu, and therefore we called you on the 13th. as follows: "With relative ease we are now in a position to locate the printing of the bills."

Mr. Uriburu called us up on the telephone on the 13th. and informed us that the result of his conversation with the Finance Minister, unfortunately confirmed our previous information that it was impossible to get into direct contact with the printing plant, and that the above written was a mere possibility. We were to get into direct contact with the printing plant, and referring to the bills, changing the printing and monetary systems, we had to inform you that the Chamber of Deputies approved same with some alterations, therefore it has been passed again to the Senate for their approval, and in case this happens, the bills will have the force of law.

Yours very truly, Samuel R. Silva, Sec.

*Handwritten signature*

FOREIGN DEPT.  
A.B.N.C.O.



MAR 29 1935



Copy to NYOFFICE by air mail ✓  
idem " ordinary mail

RECEIVED

RIO DE JANEIRO  
March 18th, 1935

Messrs.  
Samuel B. Hale Ltd.,  
Buenos Aires.

Central Bank

Dear Sirs:

I received this morning your air mail letter of March 15th and, while I am glad to have such authentic information, I greatly regret that the new Central Bank is evidently almost compelled to resort to the watermarked product of the Casa de Moneda.

In the early stages of the presentation of the Banco Central projects to Congress, it is possible that the Ministro de Hacienda had a desire, if not an intention, to have the new issue of notes printed abroad. Since then it is possible, if not probable, that the Casa de Moneda people got busy, found a stock of Italian note paper at the Caja de Conversión or on contract to be furnished, and argued economy, lack of foreign exchange, etc. In short, superficial, immediate advantages against long range economies and protection of very much greater value.

It would not surprise me if the first notes turned out by the Casa de Moneda contain exactly the same watermarks borne by the current issue, and the Banco Central, after it had been operating for a year or so, attempting to be relieved of the Casa de Moneda.

Nevertheless, let's be very alert as to any move or change which would give us the long and patiently awaited opportunity to supply Argentina with stamps and notes.

I regret that, in view of your advices, I shall not be visiting Buenos Aires shortly. I thank you very much for your activity in the matter which is also greatly appreciated by the Company.

Very truly, yours,

JL



RECEIVED



MAR 29 1935

FOREIGN DEPT.  
A. B. N. CO.  
11.12



MAR 29 1935

I received your letter of the 11th inst. regarding the proposed  
 extension of the term of the Board of Directors. I am sorry that the  
 Board cannot extend the term of the Board of Directors for a year  
 as you suggest. The Board of Directors is composed of members who  
 are elected by the stockholders and the term of the Board of Directors  
 is fixed by the Charter of the Corporation. The Board of Directors  
 is composed of members who are elected by the stockholders and the  
 term of the Board of Directors is fixed by the Charter of the Corporation.  
 The Board of Directors is composed of members who are elected by the  
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 elected by the stockholders and the term of the Board of Directors is  
 fixed by the Charter of the Corporation. The Board of Directors is  
 composed of members who are elected by the stockholders and the term  
 of the Board of Directors is fixed by the Charter of the Corporation.

1100-1120-1140



C. P. R.  
MAR 27 1935

## ARGENTINA REVISES FINANCIAL SYSTEM

3/23/35 N.Y. Times  
New Laws Set Up a Central  
Bank and an Institute to  
Release Frozen Credits.

### PESO'S GOLD VALUE IS CUT

Reduction From 44 to 23 1/4 Cents  
Permits 103 1/2% Coverage  
for Paper Currency.

Special Cable to THE NEW YORK TIMES.  
BUENOS AIRES, March 22.—  
The Argentine Senate has accepted  
the Chamber of Deputies' amend-  
ments to the government's five bills  
providing for a central bank of is-  
sue and reorganization of the coun-  
try's banking and monetary sys-  
tems. The bills will become law  
when President Augustin P. Justo  
signs them.

One bill provides for the appoint-  
ment of a committee under the  
presidency of Finance Minister  
Federico Pinedo to organize a cen-  
tral bank and an institute for the  
liquidation of bank investments. An  
adviser from the Bank of England  
will assist.

The bills will abolish the Gold  
Conversion Office, the Rediscount  
Commission and the autonomous  
Liquidation Commission. Gold stock  
will be transferred to the central  
bank at a new valuation that will  
give the paper peso a gold backing  
of 103 1/2 per cent but will reduce  
the gold value of the peso to 23 1/4  
cents, compared with its former  
par of 44 cents.

The central bank will exercise the  
functions of the Rediscount and  
Liquidation Commissions. It will  
take over from the Bank of the  
Nation the government's account,  
the profit from its exchange ac-  
count and its exchange stabilization  
fund. The Exchange Control Com-

mission will continue to function  
temporarily as a bureau of the  
Ministry of Finance.

The clearing house will be trans-  
ferred from the Bank of the Na-  
tion to the new central bank. The  
Bank of the Nation will retain judi-  
cial accounts and those of auton-  
omous organizations and will be-  
come a semi-official commercial  
bank. It will share with the new  
bank its function of lending money  
to the government. The central  
bank, instead of the Bank of the  
Nation, will act as the govern-  
ment's financial agent.

All outstanding currency will be  
called in and the central bank will  
issue new money of denominations  
larger than 5 pesos. It is author-  
ized to increase circulation until  
the gold backing is reduced to 25  
per cent if it deems this necessary.  
The government will issue without  
any gold backing money of denomi-  
nations of 5 pesos and less. This  
small circulation now totals about  
186,000,000 pesos. The new bills au-  
thorize an increase in this un-  
backed currency of as much as 20  
pesos per capita population.

Foreign bankers here believe the  
private banking situation will be  
considerably improved by the new  
laws and by the establishment of  
the institute for liquidation of  
frozen credits, which are estimated  
to total approximately 500,000,000  
pesos.

The proportion of their total re-  
sources that private banks must  
keep on deposit with the new cen-  
tral bank is smaller than the two  
American banks here keep on hand  
as a guarantee of their sight de-  
posits, but it is much larger than  
several other banks keep on hand.  
It was the weak condition of some  
of these other banks that made the  
new control law desirable.



ARGENTINA - Bank Notes

March 26, 1935.

C.F.R.  
MAR 27 1935

We refer to our letter of the 15th inst. and now beg to acknowledge receipt of the copies of the letters you addressed to Messrs. S. B. Hale Limitada, under date of March 7th and 12th, on the subject of the bank notes for the new Central Bank of Issue of the Argentine.

In this connection we also acknowledge receipt of your cable of March 18th, reading:-

"Refer to your letter of 27th, Samuel B. Hale Limitada, S.A. Buenos Aires, has informed me absolutely sure Casa de Moneda, Buenos Aires, Argentina will do printing."

We are sorry indeed to hear the news contained in your cable, and await with interest your letter in which you will undoubtedly communicate to us the reasons given by Messrs. Hale Ltd. as to why they feel absolutely sure that the notes for this new bank will be printed by the Casa de Moneda. Notwithstanding this fact, our agents in Buenos Aires should not relax their efforts to show the government officials and those who are organizing the Central Bank, the mistake in having their notes printed locally, and our agents should use every influence they have to induce the officials to place the order for these notes with us.

593 Sub Ag.



ARGENTINA - Bank Notes

March 26, 1935.

-2-

From a newspaper report we see that the Argentine Senate has accepted the Chamber of Deputies's amendments to the government's five Bills providing for a Central Bank of Issue. and the reorganization of the country's banking and monetary system, and that the Bills will become law when President Agustín P. Justo signs them. The newspaper report goes on to say that one Bill provides for the appointment of a Committee under the Presidency of Finance Minister Federico Pinedo, to organize a Central Bank, and that an advisor from the Bank of England will assist.

We must not lose sight of the fact that the English Bank Note firms will undoubtedly take advantage of such an appointment to get the adviser to use his influence to have the notes printed in England. It would be well for you to bring this to the attention of Messrs. S.B. Hale Ltd.

Yours very truly,

Manager Foreign Department

CTB/IW



Rio de Janeiro

ARGENTINE NOTES

April 3rd, 1935.

DUPLICATE SENT

Original via air mail

We hereby acknowledge receipt of your letters dated February 9th and March 18th, in connection with the above subject, the contents of which we have carefully noted.

As you know, Mr. Henry R. Treadwell will shortly be leaving for Rio de Janeiro, and from there he will proceed on a visit to Buenos Aires. We have asked him to call on the various Government officials and such people of influence who are connected with, or will be connected with the new Central Bank.

We would like you to go to Buenos Aires at the same time as we know that you will be of mutual help to one another when calling on the various officials.

When you are through in the Argentine we would like you to come up to New York on a visit, if you think the conditions in Brazil are such that you can safely leave at the present time. Will you, therefore, please make your arrangements accordingly.

Yours very truly,

Manager Foreign Department

CTB/IW

OTHER COPY IN  
BAGGAGE

593 Sub Agt.



AMERICAN BANK NOTE COMPANY.

Rio de Janeiro

TO

New York

SUBJECT ARGENTINA - Banco Central

DATE April 3 1935

For the moment I shall simply acknowledge receipt  
of your letters of March 14th and 15th and of the twelve stamp  
booklets mentioned in the latter and for which I thank you.

Yours very truly,

*John D. ...*

JL

APR 10 1935



RECEIVED



Rio de Janeiro

TO

New York

AMERICAN BANK NOTE COMPANY

ARGENTINA - Banco Central

1935

RECEIVED  
APR 19 1935  
A.B.N.C.



For the moment I am sorry to hear that

of your letters of March 14th and 15th and the twelve stamps

books mentioned in the letter which I thank you.

RECEIVED  
APR 19 1935

Yours very truly,

*Handwritten signature*

RECEIVED



APR 19 1935



Apr. 17, 1935

SEE - J.L. Letter of April 26 .....

quoting letter from Buenos Aires of above date



AMERICAN BANK NOTE COMPANY.

AIR MAIL

Rio de Janeiro

TO

New York

SUBJECT ARGENTINE NOTES

DATE April 19 1935

Your letters of March 26th and April 3rd: I enclose a copy of my letter of April 4th to our agents in Buenos Aires and quote their reply dated April 12th.

In due course we received your letter of 4th inst. contents of which we have duly noted and beg to state that we fully agree with the reasons contained therein. We have done all our efforts to obtain an interview with Dr. Prebisch in order to transmit to this gentleman the contents of your letter, but we are sorry to state that when Dr. Prebisch's Secretary required of us the object of our visit and was informed that we wished to put forward a proposal regarding the printing of notes, he answered that Dr. Prebisch had instructed him to grant no interviews to discuss the matter, and therefore we have been unable to meet your wishes.

With reference to your suggestion of again consulting Dr. Uriburu, we think that this step is not advisable, as during our last visit, Dr. Uriburu distinctly informed us that for the moment the intention of the Government was not to print the notes abroad, as we advised you in our previous letter.

Nevertheless, we are giving this matter our best attention, and should there be any favorable chance of doing something, we will not fail to advise you.

Axel Aberg Cobo, ~~RE~~Vice-President. Miguel Piñeiro Pearson  
Secretary.

At the same time I wrote the American Commercial Attaché in Buenos Aires but have had no reply to date.

With Mr. Treadwell I conversed with Sr. Ricardo Pearson to-day aboard the "Asturias" en route to Buenos Aires and requested him to go into the matter pending our arrival in Buenos Aires per the "Pan America" about May 1st.

Yours very truly,

*John Lane*

JL

C  
B



107 107

1991 WT 4130A

RECEIVED



APR 26 1935

10075 27061



COPY by AIR MAIL

C. E. R.  
APR 29 1935

April 4th, 1935

Messrs.  
Samuel B. Hale Ltd.,  
Buenos Aires.

BANCO CENTRAL

Dear Sirs:

With reference to my letter of March 18th, I would advise that I received subsequent thereto the original of your air mail letter of March 15th.

Since writing my above-mentioned letter, it has occurred to me that a possible intention is to have the Casa de Moneda print the first issue of notes for the new Central Bank; perhaps, even reprinting notes of the current issue and simply surcharging them with the name of the Bank and the number and date of the law creating it. This might be done to facilitate the opening of the Bank and to enable it to prepare leisurely its own distinctive issue and have it printed abroad.

I understand that the Banco Central intends to commence operations next June and probably housed in the Caja de Conversión. Such being the case, its organization must be fairly well advanced. I further understand that its manager will be Sr. Raúl Prebisch who is said to have drawn up the various monetary projects.

Under the circumstances, it would be highly advisable to consult Dr. Uriburú again and also consult Sr. Prebisch. You might call to their attention the very true fact that the printing of bank notes by a government bureau is politically and economically unsound. I shall



give a few of the reasons why it is so.

1. A Central Bank, even when controlled by a government, should have no connection at all with a government bureau for the printing of notes and documents of value.

2. A government printing bureau is usually under the control of the Minister of Finance.

3. Appointments of chiefs of its departments are nearly always political; they usually have had no training whatsoever in the very specialized art of steel engraving and printing or even lithography.

4. With every change of Minister the Department Chiefs are usually changed. There is no sense of permanence; there is no continuity.

5. A government printing bureau, having no definite continuity in its management and being free from the rigors of competition, has no incentive to improve its work or to test and adopt advancements in the art of protection against counterfeiting. Its technical personnel, being restricted in its guidance and activities, is usually defective and can never be as competent as that of a concern like the American Bank Note Company with its 140 years of experience, and whose field of operations is enormously larger.

6. The danger of over-issues of notes or, what may be termed, clandestine issues is ever latent in a government printing bureau. Where a note issue is one for a bank, this danger is extremely grave.

7. The cost of notes printed by a government bureau is really greater than what we would charge. The accounting of a government bureau in this respect is usually convenient, superficial and summary, showing a low cost by omitting a large batch of charge and expenses, justly and properly chargeable to the quantity of notes printed.

8. Even accepting a government bureau's statement of the super-



Rio, 4/4/35

ficially low cost of notes printed by it, notes printed by us would prove even of a lower cost due to the superior quality and our special technical manipulation of the high content linen paper prepared solely for notes printed by us.

9. The <sup>o</sup>importance and value to governmental, financial and commercial interests and to the public in general to have notes of a central bank printed by a house such as the American Bank Note Company are enormous. The country reposes absolute confidence in an issue so printed since it knows that there is no danger of over-issues and that there is the maximum of protection against counterfeiting.

I shall not go into the matter of hand-engraved (not etched) steel engravings; qualities of inks, papers, the lack of protection in watermarks; etc., etc. I would here merely call attention to the fact that the truth of the above statements is conclusively borne out in Mexico, for instance.

The Mexican Government has a large printing bureau; it is one of the most nationalistic governments in the world to-day; it does everything possible to produce everything at home; it controls the central bank of issue, the Banco de Mexico, S.A.; yet we print the notes for that bank. The government and the bank officials of Mexico fully realize the <sup>o</sup>importance of notes printed by a reliable company.

People in various countries, justly and from experience, consider the imprint of the American Bank Note Company on an issue of notes as an added security; they know that only the legally authorized issue has been printed, and not a single note more. The prestige of a Bank of Issue is assured and the confidence of the public is fortified and maintained by the imprint of the American Bank Note Company.

You might show this letter to Dr. Uriburú and Sr. Prebisch; or you might draw off a memorandum of its contents. Please consult them



Rio, 4/4/35

again. I would also suggest that you consult Mr. Muller of the First National Corporation (the Boston Bank) who is interested in the Banco Central as a technical adviser.

Please let me have your advices as early as possible.

I was unable to see don Ricardo here en route to Lisbon. His boat came in on a Sunday and I am living up in Petropolis for the summer. However, I hope to see him when he touches here going south on April 19th.

Very truly,

JL

P.S. Whenever occasion arises to telegraph me, I beg to request that you do so per All America Cables.



Rio de Janeiro

C. P. R.  
APR 29 1935

ARGENTINE NOTES

April 26, 1935.

We hereby acknowledge receipt of your letter of April 19th, under the above heading, in which you send us copy of your letter dated April 4th, to S.B.Hale Ltd., which we consider a splendid exposition of our viewpoint as to why the notes should not be printed by the Casa de Moneda.

We have taken note that you will be arriving, with Mr. Treadwell, in Buenos Aires about May 1st, and we await with interest any further reports you will be able to make in connection with this matter.

Yours very truly,

Manager Foreign Department

CTB/IW

PACKET 593 Sub Agt.



A.B.N.Co

N.Y.

Rio, Rec'd April 26, 1935.

IKJYH

H.R. Treadwell

ELSIP

sailing today

AFDAM

arriving in

IKKAK

Buenos Aires

ITPUH

May 1st

IKGOR

John Lane

ITLAD

April 29th

AFDAH

Arriving

ITPYJ

May 2nd

(IW)

OTHER COPY IN  
PACKET 593 Office



Also, West April 28, 1955.

W. H. H. Co.

H. P. Rosenwald

ELLY

ending today

ELLY

arriving in

ELLY

Elmer's letter

ELLY

May 1st

ELLY

John D. Jones

ELLY

April 28th

ELLY

arriving

ELLY

May 2nd

ELLY

\_\_\_\_\_

W. H. H. Co.

STANDARD

BOND

(W)



APR 28 1955



# All America Cables

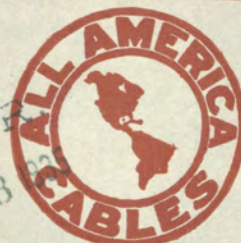
THE INTERNATIONAL SYSTEM

To Telephone a Message or  
Call a Messenger

WHITEHALL 4-3100  
or any

POSTAL TELEGRAPH  
OFFICE

Postal  
Telegraph



Commercial  
Cables

Mackay Radio

FOR RECEPTION SERVICE  
AND ALL  
OTHER DEPARTMENTS

BOWLING GREEN 9-3800

JOHN L. MERRILL, PRESIDENT

THE FOLLOWING TELEGRAM WAS RECEIVED

"VIA ALL AMERICA"

CDE

R139 R10 11 26 316 PM

BANKNOTE NYK -

IKJYH ELSIP AFDAM IKKAK ITPUH IKGOR ITLAD AFDAH ITPYJ .

DEL 1314 APR 26 '35  
11 BROAD STREET NEW YORK



FOREIGN DEPT.  
A.B.N.CO.



APR 26 1935

APR 26 11 22 PM '35  
DEL



## AMERICAN BANK NOTE COMPANY. AIR MAIL

Rio de Janeiro

TO

New York

SUBJECT ARGENTINE NOTES

DATE April 26 1935

C.T.B.  
MAY - 3 1935

C.P.R.  
MAY - 8 1935

I confirm my telegram of even date-

H. R. Treadwell sailing to-day, arriving in Buenos Aires May 1st; John Lane April 29th, arriving May 2nd.

Mr. & Mrs. Treadwell and Miss Elizabeth Treadwell sail to-day on the "Pan America". I extremely regret that various circumstances prevented me from accompanying Mr. Treadwell. However, I am leaving on the "Cap Arcona" April 29th which is due in Buenos Aires on May 2nd. I would point out that your air mail letter of April 3rd (Wednesday) was mailed on April 4th and reached me on April 18th, the day before Mr. Treadwell arrived here. April 18th was a half-holiday; April 19th (Good Friday) a holiday; and the 20th (Saturday) practically a holiday.

I quote a letter from Buenos Aires, dated April 17th-

By reference from the office of the Commercial Attaché, your letter dated April 5th, 1935, addressed to him, is acknowledged by this office, in compliance with the coordination agreement governing American ~~XXXXXX~~ Government offices abroad. You request information concerning the printing of the new Central Bank notes which are to be issued to replace those now in circulation in this country.

Information obtainable by this office is to the effect that the Casa de Monedas (sic) (Government Mint) will itself print the new notes, as has been the practice during the past several years. Very respectfully yours, A.M. WARREN, American Consul General.

Yours very truly,

*John Lane*

JL

OTHER COPY IN  
PACKET 593 Sub Agt.



Rio de Janeiro

AMERICAN BANK NOTE COMPANY

RECEIVED  
TO  
New York



1931-32 JAN



I continue my belief in evenness of day on the "Ten Minutes". I extremely regret that various circumstances prevented me from accompanying Mr. Trevellick. However, I am leaving on the "Ten Minutes" April 20th which is the same time as last year. I would point out that your air mail letter of April 2nd (Wednesday) was mailed on April 4th and reached us on April 18th, the day before Mr. Trevellick arrived here. April 18th was a half-holiday; April 19th (Good Friday) a holiday; and the 20th (Thursday) was a holiday.

I have a letter from Buenos Aires dated April 15th by reference from the office of the Commercial Attaché, passed by dated April 21st, 1931, addressed to me, is acknowledged by the office, in accordance with the correspondence agreement governing American XXXXX Government office record. You request information concerning the printing of the new Central Bank notes which are to be issued to replace those now in circulation in this country.

Information obtainable by this office is to the effect that the Casa de Moneda (also Government Mint) will itself print the new notes, as has been the practice during the past several years. Very respectfully yours, *WILLIAM H. WATKINS, American Consul General.*

Yours very truly,  
*W. H. Watkins*



EMISION AMPLIATORIA

C. P. R.  
AUG -1 1935

m\$<sup>n</sup>. 25.000.000 c/l.

## CREDITO ARGENTINO INTERNO, 4½%, 1934.

FECHADO: 15 DE NOVIEMBRE DE 1934

Cupones pagaderos semestralmente el 15 de Mayo y 15 de Noviembre de cada año, en las Oficinas del Crédito Público Nacional, en la Capital Federal. Títulos en denominaciones de 100, 500, 1000 y 5000 pesos moneda nacional de curso legal.

Los títulos se amortizan mediante un fondo de amortización acumulativa de ½ % anual, que operará semestralmente por sorteos a la par, realizados por el Crédito Público Nacional, el que también efectuará los pagos en sus Oficinas. Pueden efectuarse amortizaciones extraordinarias en la misma forma, en cualquier tiempo.

El Superior Gobierno de la Nación, de conformidad con la Ley 11821, emite este Empréstito como ampliación del Empréstito de m\$<sup>n</sup> 50.000.000, autorizado por el Bono General del 10 de Noviembre de 1934 y con destino del producido a conversión de Deuda Pública.

Estos títulos constituyen una deuda directa de la Nación Argentina, **están exentos de todo impuesto presente o futuro** y se cotizan oficialmente en la Bolsa de Comercio de Buenos Aires y de Rosario.

**Cuentan con la interesante característica de ser amortizables únicamente por sorteos a la par.**

A los efectos de poder solicitar la cotización de estos títulos en la Bolsa de París, los títulos sorteados y cupones podrán ser cobrados en la Banque de l'Union Parisienne, de París, en Francos Franceses, a razón de Frs. 2.50 por cada peso moneda nacional.

**Aceptaremos de nuestros clientes órdenes de compra, sujetas a la existencia de títulos disponibles, y en el orden que se reciban, por estar ya colocada una parte de la emisión, al siguiente precio, ex-cupón 15 de mayo de 1935.**

**HASTA EL:**  
4 de Mayo de 1935

**PRECIO DE VENTA**  
85.80 0/0 (Libre de Comisión)

**RENDIMIENTO:** { 5.23 0/0 inmediato  
5.29 0/0 al vencimiento

Nos encargamos de la custodia de los títulos y de la cobranza de los cupones y títulos sorteados.

*The* **FIRST NATIONAL  
BANK of BOSTON**  
SUCURSAL BUENOS AIRES  
FLORIDA 99

30 de Abril de 1935.



ARGENTINE NOTES

May 7, 1935.

As a matter of record we acknowledge receipt of your letter of April 26th, under the above heading, in which you inform us that Mr. and Mrs. Treadwell were sailing for Buenos Aires on April 26th and that you would follow on the steamer leaving the 29th, due to arrive in Buenos Aires on May 2nd.

We are very glad indeed that you were able to go to Buenos Aires and be there during Mr. Treadwell's visit in that city, as you will no doubt be of great assistance to him when calling upon the Government officials.

We have taken due note of the letter you received from the American Consul General in Buenos Aires, dated April 17th, from which it appears certain that the Argentine Government is determined to print the notes for the Banco Central in their own Government Bureau.

Yours very truly,

CTB/IW

Manager Foreign Department

OTHER COPY IN  
PACKET 393 Sub-Agt.



Santos, Rec'd May 14, 1935.

A.B.N.Co

N.Y.

IKJYH

H.R.Treadwell

IKGOR

John Lane

ELHAP

returning

ILJED

Eastern Prince

AZGOS

The latter

IKLON

Rio de Janeiro

---

(John Lane)

(IW)

Eastern Prince sails from  
Rio - May 18th - due in N.Y. May 29th

OTHER COPY  
593 office  
PACKET



AMERICAN BANK NOTE COMPANY.

SUBJECT BANCO CENTRAL  
Argentine Notes

Rio de Janeiro

TO

New York

"Eastern Prince"

DATE May 15 1935

The following Directors of the Banco Central were appointed during the last week of April and later the President and Vice-President-

Dr. Eduardo Bosch, President.

Dr. José Evaristo Uriburu, Vice-President.

Dr. Carlos Alberto Acevedo, for the Banco de la Nación.

First Group - for the national banks:

Dr. Salvador Oría, of the Banco Popular Argentina.

Juan Balbi, of the Banco de Italia y Rio de la Plata.

Enrique Becquerel, of the Banco Francez y Rio de la Plata.

Second Group:- for the provincial banks:

Saturnino Llorente Torroba, of the Banco de la Provincia de Buenos Aires.

Third Group:- for the foreign banks:

Leopoldo Lewin, of the Banco Transatlantico Alemán.

Juan Welsh, of the Bank of London & South America.

- for commerce:

Ernesto Mignaqui who is President of the Caja de Conversión.

- for manufacturing interests:

Roberto W. Roberts, President of Leng, Roberts & Co.

- for the cattle industry:

Miguel F. Casares.

- for agriculture:

Leopoldo Uranga.

On May 9th Dr. Raul Prebisch was appointed General Manager by the Board of Directors.

Our initial problem was to ascertain whether or not there was the slightest possibility of the new bank having its notes printed abroad; and that information, from all our inquiries, could most certainly, if not only, be furnished by Dr. Raul Prebisch. In my letter of April 19th I communicated to you our agents' statement that Dr. Prebisch had refused to see them as he would not discuss the matter. Dr. Prebisch, therefore, had to be seen at all cost.

The president of our agents' firm, Sr. Ricardo Pearson Hale, put us in touch with Sr. Eduardo Bullrich, who was on the organizing committee and is very well connected. In the interview he told Sr. Pearson, Mr. H. R. Treadwell and myself that the only thing he could do

*Replaced by Sr. Jorge A. Santamarina  
see R.M. 210's reports  
July 2/1937*



# AMERICAN BANK NOTE COMPANY.

SUBJECT BANCO CENTRAL  
Argentine Notes

-2-

"Eastern Prince"

DATE May 15 1935

Rio de Janeiro  
TO  
New York

was to see the Minister of Finance and make inquiries. Our agents later sent specimens and models for him to examine and to show the Minister in case he manifested a desire. Mr. Bullrich several days later advised that the Minister informed him that the notes would be printed by the Casa de Moneda as there was a large quantity of paper, etc. - exactly what our agents had advised us on March 15th.

Sr. Pearson, with whom Mr. Treadwell and I conversed on April 19th aboard the "Asturias" docked at Rio, left for Tatay the day after the interview with Mr. Bullrich and returned last Thursday, May 9th. I saw him that day and informed him that we had arranged an interview with Dr. Prebisch. I did not tell him how the interview had been arranged. He left a day later again for Tatay.

The interview with Dr. Prebisch was arranged by Sr. Jorge Piñeiro Pearson (son of the late Dr. Miguel Piñeiro Sorondo) through his friend, Dr. Eduardo Ocantos Acosta, Secretary of the Ministry of Finance. Mr. Muller, of the First National Bank of Boston and who will be, or is now, the Technical Adviser of the Banco Central, also kindly offered to put us in touch with Dr. Prebisch. However, the interview had already been arranged and we thought it less open to comment to have it come through Dr. Ocantos. Mr. Muller saw Dr. Prebisch before we did and had an opportunity to refer to the American Bank Note Company.

At the interview with Dr. Prebisch at 4 o'clock on May 10th, there were present Mr. Treadwell, Sr. Piñeiro and myself. Later an official of the Treasury was called in.

Specimens of our work were gone over and information about its character and our service given. Dr. Prebisch and the Treasury official were favorably impressed with our work. I asked the former if there were



## AMERICAN BANK NOTE COMPANY.

SUBJECT BANCO CENTRAL  
Argentine Notes

-3-

"Eastern Prince"

DATE May 15 1935

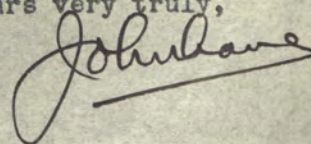
Rio de Janeiro  
TO  
New York

any law which could compel the Banco Central to use the Casa de Moneda for its notes. He replied that there was nothing in the laws to that effect. The result of the interview was: that Dr. Prebisch would supply Sr. Jorge Piñeiro Pearson, in about ten days or two weeks, with a memorandum giving sizes and estimated quantities of each denomination so as to enable us to give estimated prices. Sr. Piñeiro will send the memorandum to me. Dr. Prebisch is not in favor of denominations all of the same size.. He stated that there was plenty of time to consider the whole matter, from which it was clear that the Casa de Moneda would continue to print the ~~xx~~ notes for the time being, in any event. It was also clear that he has in mind notes with better protection.

Both he and the Minister of Finance now really know about us. We have means for getting in touch with them and with the President and most of the Directors of the Banco Central. Mr. Welsh and, of course, Mr. Roberts can be omitted. The latter's firm would be interested from two points of view - either to supply the Casa de Moneda with paper from Portals, as it is again doing, or to furnish BW's notes.

It would be interesting and, probably, helpful to know what information in the matter Leng, Roberts may have sent on to London.

Yours very truly,



JL

RECEIVED COPY IN  
193 Sub Agt.  
PACKET



Rio de Janeiro

GENERAL

May 16, 1935.

We hereby acknowledge receipt of your cable of  
May 14th reading as follows:-

"H.R. Treadwell, John Lane, returning  
"Eastern Prince", the latter Rio de  
Janeiro"

---

and for which information we thank you.

Yours very truly,

Manager Foreign Department

CTB/IW

CHEFTAIN BOND

593 office



C.T.B.  
JUN 27 1935

A.L.S.  
MAY 16 1935

Rio, Rec'd May 16, 1935

*ackgd*  
*2/26/35*

A.B.N.Co

N.Y.

C.T.B.  
MAY 16 1935

IKKYF	Argentina
EDHAL	Notes
IKJYH	H.R.Treadwell
EKWUR	will report
ANKOH	details
ERRYF	There are
EHBEH	possibilities
EPGUL	Stop
IHLUG	B.W. & Co., Ltd. London
EWDIF	what are they
APKUC	doing

(John Lane)

*✓*

13

(IW)

OTHER COPY IN  
593 Sub  
agpt.  
PACKET



09-76-03

FOREIGN DEPT.  
A. E. N. CO.



MAY 17 1935



# All America Cables

THE INTERNATIONAL SYSTEM

To Telephone a Message or  
Call a Messenger

WHITEHALL 4-3100  
or any

POSTAL TELEGRAPH  
OFFICE

Postal  
Telegraph



Commercial  
Cables

FOR REPETITION SERVICE

AND ALL

OTHER DEPARTMENTS

BOWLING GREEN 9-3800

JOHN L. MERRILL, PRESIDENT

Mackay Radio

67 BROAD STREET, NEW YORK

THE FOLLOWING TELEGRAM WAS RECEIVED

"VIA ALL AMERICA"

CDE

RI40 RIO 13 16 446 PM

DEL 1488 MAY 16 '35

BANKNOTE NYK

IKKYF EDHAL IKJYH EKWUR ANKOH ERRYP EHBEH EPGUL  
IHLUG EWDIF APKUC .



P



MAY 16 2 52 PM '35

DEF

MAY 16 1935



## AMERICAN BANK NOTE COMPANY.

AIR MAIL

Rio de Janeiro

SUBJECT ARGENTINE NOTES

TO  
New York

DATE May 17 1935

C. F. R.  
JUN 27 1935

I have your letter of April 26th and confirm my telegram of May 16th-

Argentina notes H. R. Treadwell will report details, there are possibilities. STOP. B.W.&Co., what are they doing?

I have drawn off a copy of my letter to you of May 15th, enclosed herewith and the original of which Mr. Treadwell has taken along with him.

I wish to call your attention to one of the Directors on the Board of the Banco Central, Mr. Roberto W. Roberts. You will observe that he is the President of the concern, Leng, Roberts & Co., which represents BW- and Portals also.

There arises here a situation and a problem - BW, to all intents and purposes, is represented on the Board; Portals is also. Mr. Roberts, probably ~~but~~ but only ostensibly, will refrain from voting and/or emitting an official opinion when the Board comes to making a decision on the type of note to be adopted and on the place of printing, locally or abroad. The most elementary ethics would dictate such openly official conduct. He probably would be in favor of steel engraved notes which could only be done abroad. However, I need not go into deductions as to how he might use his position to influence indirectly - that would only be human. For instance, Mr. Lee of his firm, could be given significant hints, possibly even as to competitors' prices and claims.

I can see how Leng, Roberts & Co. could be agreeable to any one of three solutions:- 1. Notes to be printed by the Casa de Moneda; Portals would supply the paper; 2. Steel engraved notes printed abroad; get the order for BW who might or might not use Portals paper; 3. Identical with



Rio de Janeiro

AIR MAIL

AMERICAN BANK NOTE COMPANY

TO  
New York

URGENT

MAY 17 1935

I have your letter of April 15th and confirm my telegram

of May 15th.

Attention notes H. E. Townsend will report details, there  
are possibilities, 2707, 8.7, 100, what are they doing?

I have drawn off a copy of my letter to you of May 15th, and

closed business and the original of which Mr. Townsend has taken along

with him.

I want to call your attention to one of the directors on the

Board of the Banco Central, Dr. Roberto W. Roberto. You will observe

that he is the President of the company, Banco Central, which re-

presents the and Porto's also.

There arises here a situation and a problem - for, to all intents

and purposes, is represented on the Board; Porto's is also, Dr. Roberto,

probably not only certainly, will refrain from voting and/or sitting

on official action when the Board comes to making a decision on the type

of note to be adopted and on the place of printing, locally or abroad.

The most elementary studies would dictate such purely official conduct. He

probably would be in favor of steel engraved notes which could only be

done abroad. However, I need not go into questions as to how he might

use his position to influence indirectly - that would only be human. For

instance, Mr. Lee of the firm, could be given a seat and might possibly

even as a competitor, enter and close.

I can see how Henry Roberto, could be placed in any way

of three solutions - I hope to be placed in the Banco Central

would supply the report, I hope engraved notes printed abroad; get the

order for BW who might or might not use Porto's paper. I identified with

RECEIVED



SENTE MAY 21 1935



AMERICAN BANK NOTE COMPANY. AIR MAIL

Rio de Janeiro

SUBJECT ARGENTINE NOTES

-2-

DATE May 17 1935

TO  
New York

No. 2 but stipulating Portals paper. No. 3 would be most advantageous for Leng, Roberts; there would be two commissions - from BW and from Portals.

It is therefore absolutely essential that I know what BW is doing. Are they sending some one to the Argentine now? Have Leng, Roberts asked them for prices? What are they? Etc., etc. I must also know what your policy is in this instance. Shall a free field be given BW.?

I am sending a copy of this letter by air mail to Mr. Treadwell at Trinidad. You may consider it advisable to await his arrival in New York on May 29th.

Yours very truly,

*John Lane*

JL

RECEIVED  
OTHER COPY IN  
573 Sub Agt.  
PACKET



Rio de Janeiro

TO  
New York

AIR MAIL

AMERICAN BANK NOTE COMPANY.

ARGENTINE NOTES

SUBJECT

-2-

1935

MAY 14

DATE

No. 2 but stipulating Portela paper. No. 3 would be most advantageous for Leng, Roberts; there would be two commissions - from BW and from Portela.

It is therefore absolutely essential that I know what BW is doing. Are they sending some one to the Argentine now? Have Leng, Roberts asked them for prices? What are they etc., etc. I must also know what your policy is in this instance. Shall a free field be given

BW?

I am sending a copy of this letter by air mail to Mr. Treaswell

at Trinidad. You may consider it advisable to wait his arrival in New

York on May 28th.

Yours very truly,

*John L. ...*

71

RECEIVED



MAY 24 1935



C.F.R.  
JUN 14 1935

*File*

**CRANE & CO.**  
INCORPORATED  
**PAPER MAKERS**

ESTABLISHED 1801

DALTON, MASS., U.S.A.

*A.L.S.*

May 23, 1935.

MAY 23 1935

Mr. A. L. Schomp, President,  
American Bank Note Company,  
70 Broad Street,  
New York, N. Y.

Dear Mr. Schomp:

*in Argentina -*

On Wednesday afternoon Mr. Brainard, Vice President of the First National Bank of Boston, telephoned me that they had had an inquiry from their correspondent in Buenos Aires, the Argentine, stating that inquiries were being made for notes for the new Central Bank, and that a firm there, whose credit they reported on favorably, was interested in trying to secure this business. The firm was Guillermo Kraft, Ltd. Address - Recon Quista 240. This firm stated that Crane's paper was desired, and that they would like to arrange for the purchase of this paper, and if possible would like to be appointed our agent in that country. I judged from the way the letter read that this was an engraving firm. The First National Bank's correspondent said in their cable that if they could not secure the Crane paper, they would like to have the First National Bank recommend some other manufacturer, and in that case they requested them to buy some Argentine notes, in order to show the quality of paper desired.

This morning I have talked with you about this, and find that you are actively following this prospect up, and I have therefore telephoned to Mr. Brainard that our arrangements with you were such that we could not do anything about this inquiry. On my offering to put him in touch with another first-class paper mill, he stated that they would not do anything about it as long as we were working through you, but he suggested that you might have your representatives there get in touch with the Kraft Company.

Please let me know if there is anything else that we can do.

Yours very sincerely,

*William F. Schomp*

WMC, Jr:B



C. F. R.  
JUN 14 1935

May 24, 1935.

Mr. Winthrop M. Crane; Jr.,  
Dalton,  
Mass.

Dear Mr. Crane : Re Argentine:

I acknowledge with thanks yours of the 23rd, with respect to proposed notes for the new Central Bank of Argentine.

As I explained to you on the telephone, our local agents have been in touch with this matter for some time and Mr. H. R. Treadwell, who was recently at Buenos Aires, has also had conferences with the officials. He is now on his way back and is due here about the end of next week. Under the circumstances it would seem best to await his return and get all details.

We have known of the Kraft concern for some time but have always known them as printers rather than being in the engraving business.

We appreciate your advice and consideration and will communicate with you further after Mr. Treadwell returns.

Yours sincerely,

President



C. E. R.  
JUN 27 1935

May 24, 1935.

*Compl.  
2/26/35.*

BANKNOTE (John Lane)

RIO(Brazil)

IKKYF

Argentina

AFXOX

bank notes

IRBYM

refer to your letter of 17th

AFDIC

awaiting arrival of

IKJYH

H.R.Treadwell

EKVIB

before replying

*AK  
EB*

(IW)



# All America Cables

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To Telephone a Message or  
Call a Messenger

WHITEHALL 4-3100

or any

POSTAL TELEGRAPH OFFICE

or Repetition Service and  
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BOWLING GREEN 9-3800

JOHN L. MERRILL, PRESIDENT

Postal  
Telegraph



Commercial  
Cables

Mackay Radio

NUMBER \_\_\_\_\_

TIME \_\_\_\_\_

M M \_\_\_\_\_

CHECK \_\_\_\_\_

67 BROAD STREET, NEW YORK

SEND THE FOLLOWING TELEGRAM, SUBJECT TO THE TERMS ON BACK HEREOF, WHICH ARE HEREBY AGREED TO

May 24, 1935.

(CDE)

BANKNOTE

RIO(Brasil)

IKKYF AFXOX IRBYM AFDIC

IKJYH EKVIB

*J. M. Leone*

Sender's Name and Address

ORDINARY MESSAGE UNLESS MARKED OTHERWISE



## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays the sender of a message should order it repeated, that is, transmitted back to the originating office for comparison. For this, one-half the regular rate is charged in addition. Unless specifically stated on its face to be 'a repeated message,' this is an un-repeated message and paid for as such.

**THIS COMPANY WILL NOT ASSUME ANY RESPONSIBILITY CONCERNING ANY MESSAGES BEYOND THE TERMINUS OF ITS OWN LINES.**

It is agreed between the sender of the message on the reverse hereof and this Company, that this Company shall not be liable for mistakes or delays in the transmission or delivery, nor for non-delivery, to the next connecting telegraph, cable, or wireless company, or to the addressee, of any un-repeated message, beyond the amount of that portion of the charges which may or shall accrue to this Company out of the amount received from the sender for this Company, and the other companies, by whose lines such message may pass to reach its destination; and that this Company shall not be liable for mistakes or delays in the transmission or delivery, nor for non-delivery, to the next connecting telegraph, cable, or wireless company, or to the addressee, of any repeated mes-

sage, beyond fifty times the extrasum received by this Company from the sender for repeating such message over its own lines, and that this Company shall not be liable, in any case for delays arising from interruption in the working of its lines or from congestion of traffic, nor for errors in cipher or obscure messages, or caused by indistinct handwriting or typewriting; and that in any event this Company shall not be held liable for any loss or damage, or for delay or detention, or error caused by storms or the action of the elements, or other acts of God, or by civil or military authority, or by insurrection, riots, rebellions, or dangers incident to the time of war, or by the unlawful acts of individuals, or for errors or delays of connecting companies. The Company is hereby made the agent of the sender, without liability, to forward this message by means of wire or wireless either over its own lines or facilities or those of connecting companies unless the sender otherwise specifically directs.

No responsibility attaches to this Company concerning messages until the same are presented and accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, or by a messenger of any other company, he acts as the agent of the sender for the purpose of delivering the message and any

notice or instruction regarding it to the Company's agent in its said office. Any message sent to the Company's office by private wire or by telephone or by telegraph or through a connecting telegraph, cable, or wireless company, is sent at the sender's risk of errors or failures in such service and all of the terms and conditions herein shall apply to the message throughout, and the person receiving such message by private wire or by telephone or by telegraph or through a connecting telegraph, cable, or wireless company acts for that purpose as the agent of the sender, and is authorized to assent to these conditions on behalf of the sender.

It is agreed that this Company shall not be liable for damages or statutory penalties in any case where the claim is not presented to it in writing within sixty days after the message is filed with this Company for transmission.

It is agreed that prompt and correct transmission and delivery of this message shall be presumed in any action for recovery of the tolls therefor, subject, however, to rebuttal by competent evidence.

The above terms and conditions shall be binding upon the receiver as well as the sender of this message.

No employee of the Company is authorized to vary the foregoing.

**ALL AMERICA CABLES, INCORPORATED,**  
John L. Merrill, President.

## PRINCIPAL OFFICES

NEW YORK CITY—addresses and telephone connections—*See other side*

WASHINGTON, D. C.,  
8 Dupont Circle.

MEXICO,  
Salina Cruz.

GUATEMALA,  
San Jose,  
Guatemala City.

SALVADOR,  
San Salvador.

NICARAGUA,  
San Juan del Sur,  
Managua.

COSTA RICA,  
Port Limon,  
San Jose,  
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PANAMA,  
Panama,  
Balboa,  
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Santo Domingo,  
Puerto Plata,  
San Pedro de Macoris,  
Santiago de los Caballeros,  
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HAITI,  
Port-au-Prince,  
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Buenos Aires,  
Mendoza,  
Rosario.

URUGUAY,  
Montevideo.

BRAZIL,  
Rio de Janeiro,  
Santos,  
Sao Paulo.

*Messages marked "VIA ALL AMERICA" are accepted at all Postal Telegraph and Canadian Pacific Railways Telegraph offices.*



C. P. R.  
MAY 29 1935

*Leanda  
D. H. G.  
5/28/35*

May 24, 1935.

BRADBANK(B. W. & Co.)

NEWMALDEN(Surrey, England)

EGVUX	Please
ERGEV	Telegraph us in detail immediately
AWWIG	information
ATXOZ	you have
EKHOJ	regarding
EJBYL	proposed
AXVYC	new issue
EDHON	notes
IKFYB	Banco
AJCOS	Central
IKKYF	Argentina
EPGUL	Stop.
EBKAJ	Do nothing in the matter
ETLAW	until you have
ALFYM	consulted
EXPLJ	with us

*W. C. G.*

IKJOF - A.L.Schomp

(IW)



CHARGE TO THE ACCOUNT OF:

\$

FORM CCC 2

# Commercial Cables

THE INTERNATIONAL SYSTEM

Postal  
Telegraph



All America  
Cables

Mackay

Radio

ALL RATE MESSAGE UNLESS OTHERWISE MARKED

ALL RATE	DEFERRED	
URGENT	PREFERRED	
NIGHT CABLE LETTER	WEEK-END CABLE LETTER	

Sender should mark with an X the class of service desired

Send the following cablegram "VIA COMMERCIAL" subject to the terms on back hereof, which are hereby agreed to:

ADDRESS: 67 Broad Street, New York. Telephones: To send a cable WHitehall 4-3250; for other purposes BOWling Green 9-3800.

MAY 25 1935

MAY 24, 1935.

(CDE)

BRADBANK

NEWMALDEN (Surrey, England)

EGVUX ERGEV AWWIG ATXOZ EKHOJ EJBYL  
AXVYC EDHON IKFYB AJCOS IKKYF EPGUL  
EBKAJ ETLAW ALFYM EXPIJ IKJOF

*J. W. Gere*



C.F.R.  
MAY 29 1935

ALSCHOMP (A.L.Schomp)

N.Y.

New Malden, Rec'd May 25, 1935

*Acked  
5/29/35*

C.T.B.  
MAY 25 1935

IRSID	Refer to your telegram of 24th
IKFYB	Banco
AJCOS	Central
IKKYF	Argentina
AVCIC	we have not been
AXNEV	invited
EJLEP	to quote
ECZIH	neither
ATWUB	have we any
AWWIG	information
ACKUW	Will keep you advised
AVSAW	if
EWHUH	and when
ADXJR	we are
AFHAT	asked

IKHYV - H.Leslie Hendriks

(IW)

WATERFALLS  
STANDARD  
BOND



New York, N.Y., May 25, 1935

(Enclosure)

Refer to our telegram of 24th

and

Central

meeting

We have not seen

invited

to those

rather

have we not

to be

will keep you advised

if

and when

we are

ready

Very truly yours,

FORNIGHT  
A.E.N.CO.



MAY 25 1935

STANDARD  
BOND



# Commercial Cables

THE INTERNATIONAL SYSTEM

FAST, ACCURATE CABLE  
SERVICE TO ALL  
PARTS OF THE WORLD  
"VIA COMMERCIAL"  
ADDRESS, 67 BROAD ST,

Postal  
Telegraph



All America  
Cables

Mackay

Radio

TELEGRAMS VIA  
POSTAL TELEGRAPH  
TO ANYWHERE IN  
THE UNITED STATES  
AND CANADA . . .

THE FOLLOWING TELEGRAM WAS RECEIVED

"VIA COMMERCIAL"

T WL3 T67

NEWMALDEN 18 1122A 25

ALSCHOMP NY

IRSID IKFYB AJCOS IKKYF AVCIC AXNEV EJLEP ECZIH ATWUB AWWIG ACKUW

AVSAW EWHUH ADXYR AFHAT

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CDE

1935 MAY 25 AM 5 26

DEL 172 MAY 25 '35



AMERICAN BANK NOTE COMPANY.

C.F.R.  
JUN 14 1935  
SUBJECT

ARGENTINE NOTES

Rio de Janeiro

TO

New York

C.T.B.  
JUN 14 1935  
DATE May 25 1935

I have your letter of May 7th and your  
telegram of May 24th, reading-

Argentina bank notes, refer to your letter  
of 17th, awaiting arrival of H. R. Treadwell  
before replying.

Yours very truly,

*John Lane*

JL



Rio de Janeiro

TO  
New York

RECEIVED



Attention: Mr. [illegible]  
of [illegible] Office, 141 E. 40th St.  
New York 17, N.Y.  
before replying.

JUN 14 1935

*[Handwritten signature]*



2.  
F. 10 1935  
Subject  
JUN 10 1935  
Bradbury, Wilkinson & Co., Ltd.

London

BANCO CENTRAL ARGENTINA

JUN 10 1935

to

Date 27th May, 1935.

New York

We have to acknowledge receipt of your telegram of the 24th inst., reading as follows:-

"PLEASE TELEGRAPH US IN DETAIL IMMEDIATELY INFORMATION YOU HAVE REGARDING PROPOSED NEW ISSUE NOTES BANCO CENTRAL ARGENTINA DO NOTHING IN THE MATTER UNTIL YOU HAVE CONSULTED WITH US"

and we confirm our reply, as under:-

"REPLY YOUR TELEGRAM OF 24TH BANCO CENTRAL ARGENTINA WE HAVE NOT BEEN INVITED TO QUOTE NEITHER HAVE WE ANY INFORMATION WILL KEEP YOU ADVISED IF AND WHEN WE ARE ASKED"

Up to the present the only information we have is that the work will be done locally.

H.H.T.

Mr. Blackmore



May 28, 1935.

C. F. R.  
MAY 29 1935

Wishing to know what information you had in connection with the printing of the bank notes for the new Central Bank of the Argentine, we cabled you on May 24th as follows:-

"Please telegraph us in detail immediately information you have regarding proposed new issue notes Banco Central Argentina. Stop. Do nothing in the matter until you have consulted with us."

---

and we acknowledge receipt of your cable of the 25th which we decoded to read:-

"Refer to your telegram of 24th Banco Central Argentina we have not been invited to quote neither have we any information. Will keep you advised if and when we are asked."

---

Please keep us fully advised as to what information you may receive in the future with regard to this matter. If the notes for the new bank are to be printed outside of the Argentine we will go after the business. Therefore, please do nothing in the matter without first consulting with us and waiting for our instructions as to how you are to proceed.

---

A.L.S.



Consulado General  
de la  
República Argentina.

File  
G.W.T.C.  
SEP 20 1935

The New Argentine Bank

"Banco Central de la República Argentina"

June, 1935.



The New Argentine Bank

"Banco Central de la Republica Argentina"

June, 1935.

RECEIVED



SEP 10 1935



AMERICAN BANK NOTE COMPANY  
HUNTS POINT, N. Y.

ENGRAVING DIVISION  
OFFICE OF THE VICE PRESIDENT

June 4, 1935

Mr. A. L. Schomp  
President

ARGENTINE NOTES

Although I was given to understand that Dr. Raul Prebisch would not talk to any representatives of Bank Note concerns, the day after he was appointed Manager of the Bank (May 10, 1935), we had an appointment with him which lasted about an hour. Mr. Lane has recorded accurately the details of this meeting.

As to the ultimate action of Dr. Prebisch in regard to placing the order for the Bank Notes abroad, this is, of course, still doubtful. But the Doctor showed considerable interest in our work. The questions he raised were as to cost, security and whether we would consider it possible to print the notes in Buenos Aires.

As to price, he will advise an approximate estimate of their requirements and we are to advise an idea only of the cost to them. This would be necessary as in answer to my question as to what they would desire to incorporate into new designs, he was unable to give any details. Attached herewith is a One Peso Note now in use and he requested that that be used as a basis for figuring when he furnishes the quantities.

I lunched previously to our meeting with Dr. Prebisch with Mr. Lansing Wilcox, American Manager of the First National Bank of Boston. Identified with Mr. Wilcox is Mr. A. W. K. Muller, who is mentioned in Mr. Lane's letter of May 15, 1935. Mr. Muller's interest with the Bank is through the Investment Company which has separated from the Bank in accordance with our recent banking laws.

I expressed to Mr. Wilcox at lunch an interest in the bonds which they handle in considerable quantity for the various municipalities of the Argentine. We returned to the Bank and went through the Bank's vaults and it was surprising to see the large and varied quantities of bonds they handle. All lithographed in one, two and three colors and for the most part, poorly done. Executed by a local concern - Kraft Inc. He kindly consented to furnish me with a list of prices paid for the last five issues as follows:

*File*

*A.L.S.*  
JUN - 4 1935

*Last for Buenos Aires -  
Muller's Investment Co. -  
Kraft Inc. -  
J.W. Craig  
Lansing*



Mr. A. L. Schomp,  
President.

ARGENTINE NOTES

2.

	<u>Costo de Impresiones de Titulos</u>	
1020	Titulos Municip. de Moron	
	3 cambios de valores y 80 cupones	\$1,200.
5600	Titulos Pavim Caminos State	
	4 cambios de valores y 46 cupones	3,590.
1000	Titulos Pavim Caminos State	
	de un solo valor y 46 cupones	1,120.
3160	Titulos Debentures B.E.R.	
	3 cambios de valores y 80 cupones	2,682.
5000	Titulos Debentures Loma Negri	
	2 cambios de valores y 10 cambios	
	de Sene	4,140.

*argentine  
Pesos.*

I asked him as to the amount of this character of business done and he expressed the opinion that it was considerable. If his Bank's vaults are an example of any number of other Banks, the printing of bonds must be quite an extensive business in Buenos Aires.

In view of my conversation with Mr. Wilcox and his knowledge of my interest in the bank notes for Argentina, it is advisable, it appears to me, to contact the First National Bank of Boston in Boston to learn how it comes about that the Bank should be enquiring in regard to paper for bank notes on behalf of Kraft Inc. Have Kraft Inc. applied to the Central Bank for the privilege of estimating on their bank notes?

Dr. Prebisch and also Mr. Muller advised Mr. Lane and myself that they had two years' supply of paper on hand. Mr. Muller also mentioned that at the last meeting of the Directors of the Bank, the Casa de Moneda were told that the notes they are now printing are not satisfactory and they were asked if they could equip themselves to furnish steel engraved notes. The Bank Directors were told it would be very expensive to do so, and I added that it would also take years to equip any plant properly and then not produce such quality as we could furnish. A hundred years of concentration on one product assures the purchaser of a quality of work not surpassed, particularly by any of our competitors who furnish bank notes more or less as a side issue.

The paper is of vital interest in their minds and some considerable discussion of paper was carried on. I finally recommended that they furnish Mr. Lane with samples of paper they were being urged to use, and I felt fairly sure that in any laboratory tests, our paper would show up to be of better quality for bank notes than any other now produced. Could Kraft Inc. produce also Crane's bank note paper - what would result?



Mr. A. L. Schomp,  
President.

ARGENTINE NOTES

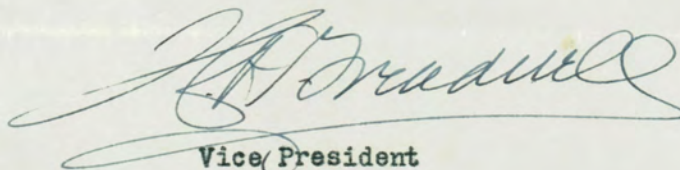
3.

Were I in Mr. Lane's position, I would greatly appreciate a definite comparison between Crane's paper and Portals and sufficient information to enable me to talk with emphasis as to the merits of the paper we use. I strongly suggest that after contact is made and the information secured from the Boston Bank (if you so decide) that Mr. Lane be advised as to what has occurred. We have every reason to believe that Mr. Lane is the first representative that Dr. Prebisch has talked to with the exception, of course, of the head of the Casa de Moneda, in regard to the furnishing of bank notes for the Central Bank.

By this time, undoubtedly, he has been approached from many sides. Providing it is found because of nationalistic feeling impossible to have the bank notes printed out of the country, would you entertain selling Crane's paper ourselves rather than have Kraft do it? It need not be, of course, our own special paper, but it seems to me that in South America should Crane's paper be supplied, we could cover Mr. Lane's expenses or more by handling that ourselves.

I know that selling blank or unprinted paper is against the general policy of the Company but under these circumstances, it appears to me to be worth considering.

---



Vice President

HRT/LB  
1 Peso Note enclosed



AMERICAN BANK NOTE COMPANY  
FOREIGN DEPARTMENT

C. P. R.  
JUN 14 1935

*File*

June 13, 1935.

MEMORANDUM FOR THE FILES

Re: ARGENTINE BANK NOTES

I called on the First National Bank of Boston on Tuesday morning, June 11th, to investigate the inquiry that they had received from their branch office in Buenos Aires, with regard to the arrangement Guillermo Kraft Ltd. of Buenos Aires, wished to make for the purchase of bank note paper from Crane & Co. and, if possible, obtain the representation of Crane & Co. in that city.

Mr. Brainard, Vice President of the First National Bank of Boston, who originally advised Mr. W.M. Crane, Jr. by telephone of the above inquiry, was away in Chicago and was not expected back for several days, but I was received by Mr. J.W. Craig, who had been fully informed on the matter by Mr. Brainard. Mr. Craig said that he was expecting me, as he had been informed that someone from our office would call on him to discuss Guillermo Kraft's inquiry.

Mr. Craig showed me the letter they received from their branch in Buenos Aires. It gave the information that an issue of bank notes would be made by the new Central Bank of the Argentine and that several bank note concerns had representatives in Buenos Aires who were negotiating to get the order. The only name of such concerns mentioned in the letter was that of the American Bank Note Company.

The letter went on to say that Kraft's representative would try to get the order for the engraving and printing of the notes and their customer wanted, therefore, to make arrangements for the purchase of Crane's paper and also for their representation. If that could not be arranged Kraft Ltd. requested that the bank then recommend to them some other paper manufacturer.



AMERICAN BANK NOTE COMPANY  
FOREIGN DEPARTMENT

June 13, 1935.

-2-

The letter stated that Kraft Ltd. was a reliable firm with a high business rating and that the Bank in Boston had a report about them on file.

In the said letter nothing was mentioned regarding the possibilities of Kraft Ltd. securing the order, or if they had any special business relations, or influence, with any of the Directors of the new Bank. Moreover, Kraft did not give any reasons why they desired to have Crane's paper in preference to any other.

The letter from the Branch Office of the First National Bank of Boston in Buenos Aires to their head office in Boston, did not, in reality, give any more information on this matter than was given to us in Mr. W.M.Crane's letter of May 23rd, addressed to Mr.A.L.Schomp.

Mr.Craig stated that when they received Kraft's inquiry through their branch office, their Vice President, Mr.Brainard, communicated with Mr.Crane, and that, after learning Crane & Co. could not, due to their arrangements with us, entertain Kraft's proposal, they advised their branch office accordingly but, in order to comply with their customer's request, they had looked around for another paper manufacturer whom they could recommend to Kraft Ltd., and finally decided upon the American Writing Paper Company, which concern had already had previous dealings with Kraft Ltd. A representative of the American Writing Paper Company called on the First National Bank of Boston, at Boston, and advised them that many years ago one of their travelling representatives had gone to Buenos Aires and that he had, at that time, taken up the question of supplying paper to the Argentine Government for their bank notes but that, on account of the strict requirements governing the watermarking of the paper (the watermarks having to be spaced accurately so that the registration of the printing on the notes would be correct) they had been unable to bid on the same.



AMERICAN BANK NOTE COMPANY  
FOREIGN DEPARTMENT

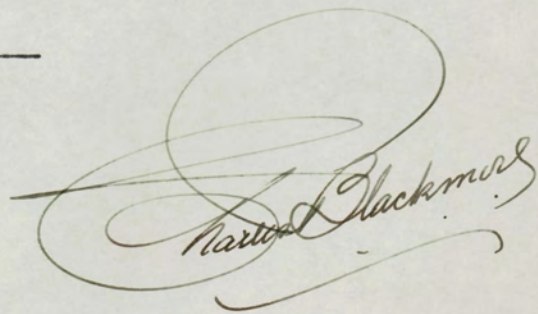
-3-

June 13, 1935.

The representative of the American Writing Paper Company told Mr. Craig that no paper manufacturer in this country could make watermarked paper such as was made in Europe, which would meet the requirements of the Argentine Government.

Mr. Craig told me, from what he had gathered in conversation with the representative of the American Writing Paper Company, that they were not particularly keen on furnishing bank note paper for the Argentine.

I took the opportunity of expressing to Mr. Craig, and through him to the First National Bank of Boston, our appreciation of the many courtesies which had been extended to Mr. Henry R. Treadwell by Mr. Wilcox during the former's visit to Buenos Aires.

A handwritten signature in cursive script, reading "Harold Blackmore". The signature is written in dark ink and is positioned to the right of a horizontal line.

Manager Foreign Department

CTB/IW



C. F. R.  
JUN 24 1935

June 21, 1935.

Lansing Wilcox, Esq.,  
First National Bank of Boston,  
Buenos Aires, Argentina.

Dear Mr. Wilcox:-

Our Vice President, Mr. Henry R. Treadwell, has now returned to New York and when telling me of his trip he mentioned the many courtesies you so kindly extended to him during his visit to Buenos Aires.

On behalf of the Company I wish to express to you our best thanks and appreciation for your kindnesses to Mr. Treadwell, which I trust we shall some day have an opportunity of reciprocating.

Yours faithfully,

President.

CTB/IW (Not on original)



Rio de Janeiro

DUPLICATE SENT

C. F. R.  
JUN 27 1935  
BANCO CENTRAL  
Argentine Notes

June 26, 1935.

Original via air mail

We have for acknowledgment your two letters of May 15th and 17th, under the above heading, which we have read with a great deal of interest, and the contents of which we have duly noted.

Mr. H. R. Treadwell has also given us a report on and his impression relative to this matter of the Argentine notes, which coincides with what you wrote us on the subject.

Upon receipt of your cable of May 16th we cabled to B. W. & Co. requesting them to advise us immediately by cable what information they had regarding the proposed new issue of bank notes for the above bank. At the same time we instructed them to do nothing in the matter before consulting us. Their cabled reply was that they had not been invited to bid, nor had they any information, and that they would advise us if and when they are asked to do so. Their letter confirming their cabled information said that up to the present time the only information they had was that the work would be done locally.

As the matter stands at the moment, B. W. & Co. will do nothing without first consulting us.

As soon as this prospective business has progressed further, and when we have the details on which to base an estimate, we will be in a better position to decide on what policy we will follow with regard to what action B. W. are to take.



BANCO CENTRAL  
Argentine Notes

June 26, 1935.

Original via air mail

-2-

We had hoped to receive from you by this time the memorandum giving the sizes and estimated quantities of each denomination, which you told us you were to receive from Dr. Prebisch, through Sr. Jorge Piñeiro Pearson. If you have not received these details by the time this letter reaches you, then please write to your friend Sr. Jorge Piñeiro Pearson and request him to get the memorandum for you as soon as possible.

It will interest you to know that through a reliable source we have received confidential information that the First National Bank of Boston, at Boston, had received an inquiry from their branch office in Buenos Aires, in which it was stated that one of their customers, Guillermo Kraft Ltd., had expressed their intention of trying to get the order for the printing of the notes for the Central Bank, and they wanted, therefore, to make arrangements for the purchase of Crane's paper and represent Crane & Co. in the Argentine. The letter of inquiry from the First National Bank of Boston, in Buenos Aires, to their head office in Boston, said further that if Guillermo Kraft Ltd. could not secure Crane's paper, they would then like the First National Bank to recommend some other paper manufacturer.



BANCO CENTRAL  
Argentine Notes

June 26, 1933.

Original via air mail

-3-

We understand that the Bank at Boston, after making inquiries, informed their Buenos Aires branch that due to arrangements with us Crane & Co could not entertain Kraft's proposal. The Bank, in order to comply with their customer's request, recommended the American Writing Paper Company, which firm had dealings previously with Kraft Ltd.

It seems to us that if the notes for the Banco Central are to be printed in the Argentine they would necessarily be made by the Casa de Moneda, and not by a local printing firm. If they are not to be printed by the Casa de Moneda it is reasonable to assume that Dr. Prebisch would have them engraved and printed by a thoroughly established bank note firm.

Nevertheless, we give you the above information in order that you can make inquiries as to what Kraft Ltd. is doing in the matter and advise our agents and Sr. Jorge Piñeiro Pearson of their activities.

It is quite on the cards that if they can not secure the order for themselves they may try to get the representation of a foreign bank note company, in view of the importance of this business.

We are glad to hear that there is nothing in the law which could compel the Banco Central to use the Casa de Moneda for the printing



BANCO CENTRAL  
Argentine Notes.

June 2<sup>6</sup><sub>28</sub>, 1935.

Original via air mail

-4-

of their notes.

From what Mr. H.R.Treadwell told us we understand that Mr. Jorge Piñeiro Pearson has offered to help you in any way he can to secure this order. This being the case, and as he is an intimate personal friend of the Secretary to the Minister of Finance, and apparently has close connections with several of the important people in the Bank and the Government, we think it would be well for you to let Don Jorge know from the very start, that if we secure the order we will not forget him at the proper time.

Our plan of campaign, in order to secure this business, must be based on your keeping in frequent personal touch with Dr. Prebisch. You and Mr. H.R.Treadwell have done splendidly in interesting him in our class of work.

If you have not already received the memorandum of details from Mr. Piñeiro Pearson you should go to Buenos Aires at once and get them personally. If you have received and mailed them to us then, when we send you our estimate of prices you should again go to Buenos Aires, in order to discuss the matter again with Dr. Prebisch.

There is nothing more that we can do in connection with this prospective business until we receive the details to make a quotation. If we hear anything further from London we will cable you.



BANCO CENTRAL  
Argentine Notes

June 26, 1935.

Original via air mail

-5-

In this connection we acknowledge receipt of  
your cable of May 16th reading:-

"Argentine notes, H.R.Treadwell will report  
details. There are possibilities. Stop. B.W.&  
Co. Ltd. London what are they doing."

and confirm ours of May 24th:-

"Argentina bank notes, refer to your letter of  
17th, awaiting arrival of H.R.Treadwell before  
replying."

Awaiting the pleasure of your further advices in this  
matter,

Yours very truly,

Manager Foreign Department.

CTB/IW

593 Sub. Agt.



AMERICAN BANK NOTE COMPANY. AIR MAIL

Rio de Janeiro

TO

New York

SUBJECT BANCO CENTRAL  
Argentine Notes

DATE July 18 1935

Receipt is acknowledged of your letters of May 7th and June 28th. I translate information which I have received from Dr. Jorge Piñeiro Pearson.

NOTES IN CIRCULATION on JULY 10th, 1935

5,100,274	notes 50 centavos	2,550,137 pesos
69,790,295	" 1 peso	69,790,295
344,269	" 2 pesos	688,538
20,112,644	" 5 "	100,563,220
22,849,421	" 10 "	228,494,210
10,428	" 20 "	208,560
3,763,980	" 50 "	188,199,000
3,663,914	" 100 "	366,391,400
1,191	" 200 "	238,200
158,807	" 500 "	79,403,500
128,795	" 1000 "	128,795,000
<u>125,924,018</u>		<u>1,165,322,060</u>

The replacement of the notes of 50 centavos, 2, 20 and 200 pesos is improbable.

The life of the one peso notes is calculated at 15 months; the five peso two years; the 10 peso three years; the higher denominations more than 5 years.

The above information was supplied Sr. Piñeiro by Sr. Muschietti, head of the Treasury Dept. of the Banco Central, and Dr. Mallea Gil, Secretary of the Caja de Conversión. The information is valuable in that it is official but it is not exactly what Dr. Prebisch promised. Possibly he still has no clear idea as to probable sizes and quantities.

Eliminating the four denominations mentioned above, the total number of notes would be 120,467,856 in seven denominations. If the banking law really limits the bank to the issuance only of notes higher than the 5 peso - leaving this denomination and the one peso to the government and the Casa de Moneda or replacing them by coins - the figure would stand at 30,564,917 in five denominations which the Banco Central could issue. It seems impossible that the Bank would be con-

*now in  
our files -  
does the  
mean  
June 16?  
cop*



**AMERICAN BANK NOTE COMPANY.**

**Rio de Janeiro  
TO  
New York**

**SUBJECT** BANCO CENTRAL  
Argentine Notes

-2-

**DATE** July 18 1935

fined to such a figure.

I do not think that the 5 peso note will be eliminated. I do not think that it can be done. It is improbable that even the one peso note, what with the high price of silver, would be replaced by coins.

I offer, as a suggestion, that prices be made up on various quantities for each denomination of a total of six or seven denominations, taking the sizes, for instance, of the Banco do Brasil notes: say, 20, 30 and 50 million of the smallest denomination and so on up to the highest for 500,000 and one million. Such prices, for initial purposes, would be purely nominal.

I am averse to submitting prices on the prospect of a note issue to be printed abroad. Even Sr. Piñeiro came to that conclusion during his further contact with the officials.

I give you Sr. Piñeiro's suggestions, aside from making the finished notes abroad-

Notes partly done abroad and finished in the Argentine. Printing the notes in the Casa de Moneda. (He is here recalling, no doubt, our activities with Dr. Miguel Piñeiro Sorondo in 1928.)

The ABNCo. taking over one of the large Buenos Aires printing houses and doing the printing, leaving the plates in the custody of the government.

Or some other practical solution which may occur to the ABNCo.

These alternatives have been considered and discussed over a number of years not only for the Argentine but also for other countries. However, they indicate that Sr. Piñeiro found the tendency and desire to have the notes printed locally are still very strong.

I note your information regarding Guillermo Kraft and inquiries for American paper for notes. I would say that Kraft's inquiries



AMERICAN BANK NOTE COMPANY.

Rio de Janeiro

TO

New York

SUBJECT

BANCO CENTRAL  
Argentine Notes

-3-

DATE July 18 1935

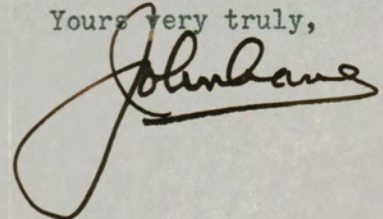
are probably with a view to supplying the Casa de Moneda. I also note that BW will do nothing without consulting you. Since Mr. Roberts is on the Board of the Central Bank, I would take it that BW would have prompt information as to any move by the Bank in the matter of the printing of its notes.

It would seem that the Banco Central is still far from ready to consider the printing of notes abroad or that the government is still determined to use the Casa de Moneda. The Caja de Conversión's contract for note paper still has about 18 months to run.

Perhaps, a proof of the engraving of the painting, "Argentina Tierra de Promisión", is on the way to me, with prices. If so, I shall go to Buenos Aires on receiving it. The prices, etc. for notes can be sent me air mail care of Hale.

With your approval and if I find it convenient, I shall give Sr. Jorge Piñeiro Pearson a letter authorizing him to treat with the Banco Central and the Ministry of Finance in our behalf; this, in case he can not act in conjunction with Messrs. Hale. Such authorization would be restricted and temporary and would not conflict with Messrs. Hale. However, I shall endeavor to induce Hale to permit him to act as though he were of the firm.

Yours very truly,



B

JL







AMERICAN BANK NOTE COMPANY  
HUNTS POINT, N. Y.

ENGRAVING DIVISION  
OFFICE OF THE VICE PRESIDENT

July 24, 1935

C. P. R.  
AUG -2 1935

*File  
7/28/35  
Wrote to Mr.  
Wiseley 7/24/35*

Mr. Charles T. Blackmore  
Manager Foreign Department

---

I am taking the liberty of suggesting that a letter similar to the one written to Mr. Wilcox be sent to Mr. C. H. Wiseley, Manager of the National City Bank of New York in Buenos Aires. Also mentioning in this letter Mr. Leo D. Welch, his assistant or "Gerente General" as his card reads. They were both most courteous to me when I was in Buenos Aires.

I had occasion yesterday to communicate with the National City Bank of New York and they advised that they had heard from Mr. Wiseley to the effect that I had visited them and I really think that it would be politic to thank them for the courtesies shown me upon the part of both of these gentlemen.

---

*C. P. Radwell*  
Vice President

HRT/LB



C. P. R.  
AUG -2 1935

August 1, 1935.

Mr. Henry R. Treadwell,  
Vice President,  
Engraving Division.  
Bronx

---

In accordance with your request of July  
24th, we have written to Mr. Wiseley, at Buenos Aires, and  
we attach a copy of our letter .

---

Manager Foreign Department

CTB/IW



C. P. R.  
AUG -2 1935

August 1st, 1935.

C. H. Wiseley, Esq., Manager  
The National City Bank of New York,  
Buenos Aires, Argentina.

My dear Mr. Wiseley:-

On his return to New York our Vice President  
Mr. Henry R. Treadwell mentioned the many courtesies you had so  
kindly extended to him during his visit to Buenos Aires.

On behalf of the Company I wish to express  
to you our best thanks and appreciation for your kindnesses to  
Mr. Treadwell and I trust we shall some day have the opportunity  
of reciprocating.

Yours faithfully,

President.



Rio de Janeiro

DUPLICATE SENT

BANCO CENTRAL  
ARGENTINE NOTES

August 6, 1935.

Original via air mail

We beg to acknowledge receipt of your letter of July 18th, which we have read with a great deal of interest.

We agree with you in that the information sent to you by Dr. Jorge Piñeiro Pearson is not what we expected to receive from Dr. Prebisch in accordance with what you had advised us.

Since you are going to Buenos Aires on this business as well as on the matter of the postage stamps, and in view of our letter to you of July 26th, we think it advisable to wait until we hear from you on this matter before making up prices on an issue of notes without more specific details as to quantities, etc. To submit tentative prices precipitately without at least a general knowledge of what is required would, in our opinion, be detrimental to our interests in the long run.

We prefer to receive your report on your investigation in Buenos Aires before we commit ourselves in any way as to prices. We therefore look forward to hearing from you soon after your arrival in the Argentine.

By our not wishing to make up, at this time, a list of prices on unknown quantities and unknown details you must not think that we are not willing to give you such information and data that you may require to help you in your negotiations. We shall only be too glad, when the time is ripe, to furnish you with such prices and models which will really mean something in backing up your arguments when you discuss the whole matter of the bank note issue with the officials of the bank.



BANCO CENTRAL

ARGENTINE NOTES

August 6, 1935.

Original via air mail

-2-

Your letter under reply crossed ours of July 26th and we believe that when you receive our letter that you will see the reason why we wish to hear from you first, after you have spent a few days in Buenos Aires, before rushing into the question of prices on problematical quantities.

This holds good too regarding Sr. Piñeiro's suggestions in connection with printing the notes in the Argentine.

Anticipating the pleasure of your report and wishing you a pleasant and successful trip to the Argentine,

Yours very truly,

Manager Foreign Department.

CTB/IW

(Copied from C.T.B.'s manuscript  
(left with W.E. Smith before his  
(departure for Mexico)).

TO OTHER COPY IN  
593 Sub Agt.  
PACKET



**FOR**

**Mr** Smith.

This is the form of reply which I  
think we should send to John Lane.



This is the form of reply which I  
think we should send to John Lane.

Banco Central  
Argentine Notes.

C. P. 2.  
AUG - 7 1935

Letter to John Lane.  
Rio.

Air Mail. August 2<sup>nd</sup> / 35.

We beg to acknowledge receipt of your letter of  
July 18<sup>th</sup> which we have read with a great deal  
of interest.

We agree with you in that the information sent  
to you by Dr. Dr. Jorge Liniers Pearson is not what  
we expected to receive from Dr. Prebisch in  
accordance with what you had advised us.

Since you are going to Buenos Aires on  
their business as well as on the matter of the  
postage stamps and in view of our letter to you  
of July 26<sup>th</sup> we <sup>think it advisable</sup> prefer to wait until we hear from  
you on this matter before making up prices on  
an issue of notes without more specific details  
<sup>as to quantities, etc.</sup>  
To submit tentative prices precipitately without at  
least a general knowledge of what is required, would,



in our opinion be detrimental to our interests in the long run.

We prefer to receive your report on your investigations in Buenos Aires before we commit ourselves in any way as to prices. We, therefore, look forward to hearing from you soon after your arrival in the Argentine.

By our not wishing to make up <sup>at this time,</sup> a list of prices on unknown quantities and unknown details you must not think that we are not willing to give you such information and data that you may require to help you in your negotiations. We shall only be too glad, when the time is ripe, to furnish you with such prices and models which will really mean something in backing up your arguments when you discuss the whole matter of the bank note issue with the officials of the bank.

Your letter under reply crossed ours of July 26<sup>th</sup>



and we believe that when you receive our letter that you will see the reason why we wish to hear from you first, after you have spent a few days in Buenos Aires, before rushing into the question of price on a problematical quantity.

This holds good too regarding Sr. Pinero's suggestions, as in connection with printing the order in the Argentine.

Anticipating the pleasure of your report, and also wishing you a pleasant and successful trip to the Argentine.

Yours very truly

---



Banco Central Argentina Cude.

~~50~~ ~~45~~ ~~40~~  
~~35~~

We acknowledge receipt of your letter of  
July 18<sup>th</sup>



Rio de Janeiro

2.  
AUG - 7 1935  
BANCO CENTRAL  
ARGENTINE NOTES

DUPLICATE SENT

August 6, 1935.

Original via air mail

I am availing myself of the opportunity to supplement the letter which is going forward to you today with respect to the prospective issue of bank notes for the Argentine.

I am sure you fully realize the importance of our securing this business and am likewise confident that you will do everything within your power to obtain it. We are not unmindful of the involved situation that presents itself, more especially from the standpoint of their past European affiliations. However, we strongly feel that this is an order which logically belongs here, and while we in no wise wish to restrict your sphere of action, I merely emphasize our viewpoint.

It is of course common practice for a prospective customer to solicit our quotations at the outset, and in our other letter of this date we stated that it seems wise to delay giving any tenders until all of the details have been pretty well thrashed out and you have had an opportunity to fully discuss with them the superiority of our product and service. It so often happens, and we dare say you have found it in your experience, that where a price is put forward too soon it may have the effect of tending to destroy further interest, without due consideration having been given to all of the factors involved.

It would appear that this is perhaps the most opportune time which has existed in a number of years for our opening an entering wedge, and no one knows better than you the far reaching effect it would have upon your



Rio de Janeiro

BANCO CENTRAL  
ARGENTINE NOTES

August 6, 1935.

Original via air mail

-2-

other South American business should you be successful.

Please feel free to call upon us for any help  
or information that you may deem necessary, and rest assured of  
our complete cooperation.

With very best wishes,

Yours very truly,

First Vice President.

WES/IW

NEW COPY IN  
PACKET 593 Sub Agt.



C O P Y

Rio, Aug. 9, 1935

A.B.N. Co.

N.Y.

Shall leave

next week

stopping

first

Montevideo

In connection with

new issue

notes

John Lamb



**AMERICAN BANK NOTE COMPANY.** AIR MAIL

SUBJECT ARGENTINE NOTES

Rio de Janeiro

TO  
New York

DATE August 15 1935

SEP 24 1935

in #672 Confide

9/2/35

Your letters of July 26th, with enclosure as stated, and two of August 6th. I have taken note of the information and instructions regarding this matter of notes for the Argentine which has always been complicated by Leng, Roberts. This was true in 1925.

While, at the moment, I have no precise idea as to how the contemplated Uruguayan new note issue stands, I take it that, as a general proposition, the considerations in your letter of July 26th, regarding the Argentine, apply to Uruguay.

Yours very truly,

*John D. Lane*

JL

See letter to  
Lane  
Uruguay  
Aug 27/35

OTHER COPY IN

SECRET

670 B. N. N



RECEIVED

AMERICAN BANK NOTE COMPANY



AUG 24 1935

The letters of this date, with enclosure in care  
of the American Bank Note Company, I have been  
instructed to deliver to the American Bank Note  
Company, which has been designated by the American  
Bank Note Company, in 1935.  
At the time of the receipt, I have no precise idea as to how  
the company will be able to handle the same, I am  
in a position to consider the company's position of  
the company, regarding the company, only to the company.

*Handwritten signature*

AUG 24 1935



FOREIGN DEPT  
A.B.N.CO.



C. R.  
SEP 24 1935

August 15, 1935

filing-copy of New York letter to B. W. & Co. - not received for filing.

B.W. & Co. acknowledgment, dated Aug. 26th. - filed herein.





THE WILLARD HOTEL

WASHINGTON, D. C.

C. F. 45  
AUG 25 1935

August 22<sup>d</sup> 1935.

Mr. W. E. Smith, 1<sup>st</sup> Vice-Pres.  
American Bank Note Company,  
70 Broad Street.  
New York.

Dear Mr. Smith.

I have just returned from a  
1½ hours talk with Mr. Merritte  
(spells with an "e"). I enclose the  
receipt for the Bonds. I talked  
with Mr. Merritte along the lines  
indicated by you and found him  
an interested listener. He ex-  
pressed himself as very apprecia-  
tive of learning something of how  
our work is done and said that  
he was convinced the Argentine  
Govt would be doing a very wise  
thing if they entrusted their





(2)

## THE WILLARD HOTEL

WASHINGTON, D. C.

note and stamp issues to the A.B.N.C. He, personally, will do all that he can to bring that about.

The Ambassador, FELIPE A. ESPIL, is away until about Sept. 20<sup>th</sup>, as is the 1<sup>st</sup> Secretary, JUAN C. MONTERO. The Financial Attaché, C. ALONSO IRIGOYEN, who is a great friend of DR. PREBISCH, head of the new bank, is expected back tomorrow or Saturday and Mr. Merritt has strongly advised me to wait over to see him which I have decided to do. I understood that IRIGOYEN & MERRITT are shortly to start a new bureau here which will have a lot to do





(3)

## THE WILLARD HOTEL

WASHINGTON, D. C.

with the placing of orders for future bond issues and also of bank notes and stamps if the latter are to be printed outside of Argentina, which latter he thinks is being really seriously considered.

Mr. Merritt is to send me word as soon as Mr. Irigoyen returns and arrange an interview. It is possible he may not return until Monday though due back tomorrow. Please let me know if I should wait over in that event. I gather that Irigoyen is a very influential person in Argentina. Merritt is an American, knows South America well and has been 11 years in his present position and expects soon to be head of his depart-





THE WILLARD HOTEL  
WASHINGTON, D. C.

ment.

Your idea of our getting in closer touch with these officials looks like a very wise move to me. Merritt would very much like to visit the plant when next in New York and will give us advance notice of his visit. He could not go to lunch as he had engagements to day & tomorrow. He thought our Exhibit at the Stamp Exhibition a very wise move. He says he knows the Gov<sup>t</sup> is dissatisfied with both their bank notes and stamps.

Very truly yours,  
W. A. Courtney.

---



1935 AUG 23 PM 12 43  
CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

# WESTERN UNION

R. B. WHITE  
PRESIDENTNEWCOMB CARLTON  
CHAIRMAN OF THE BOARDJ. C. WILLEVER  
FIRST VICE-PRESIDENT

## SIGNS

DL = Day Letter  
NM = Night Message  
NL = Night Letter  
LC = Deferred Cable  
NLT = Cable Night Letter  
Ship Radiogram

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at 40 Broad Street, (Central Cable Office), New York, N. Y. ALWAYS OPEN

1935 AUG 23 PM 12 39

WU85 10=TW WASHINGTON DC 23 1227P

W E SMITH=

70 BROAD ST NYK=

## MINUTES IN TRANSIT

FULL-RATE DAY LETTER

SECRETARYS ARRIVAL VERY UNCERTAIN AM LEAVING BY THREE  
OCLOCK TRAIN=

COURTNEY.



WESTERN

UNION

SEP 14 1915

7442



# FILING COPY

C. F. R.  
AUG 28 1935

August 26th, 1935

5  
Mr. C. Alonzo Irigoyen  
Financial Attache'  
Embassy of Argentina  
Washington, D. C.

Dear Sir:

When our Mr. W. A. Courtney had the pleasure of an interview with Mr. Merritte on the 22nd instant in Washington, he was disappointed in finding that it was not possible for him to see you, owing to your absence from the City.

Matters affecting the Argentine are always of primary importance to us, and Mr. Courtney's visit in addition to his call upon Mr. Merritte, was for the purpose of ascertaining your views concerning certain pending negotiations.

However, we have been informed that you are frequently in New York, and accordingly write to ask if you will be so kind as to appoint a time during your next visit here when it will be convenient for you to receive one of the members of our Official Staff.

Yours very truly,

WES.S.

First Vice President.



RECEIVED  
AUG 29 1935

Montevideo, August 26, 1935

extract from J.L. cable ..... original filed in pkt : #1715, Bco Central, Uruguay

670 Bco de la  
Rep O. Uruguay

Leaving today for  
Buenos Aires  
will return  
here  
next week

672-867



Bradbury, Wilkinson & Co., Ltd.

London

Subject Banco Central Argentino.

SEP - 4 1935

W.E.S.

to

Date 26th August 1935

SEP - 4 1935

New York

SEP 24 1935

*not rec'd  
for filing*

We are in receipt of your memo of August 15th.

We are still without any news on this subject, and we assume that the matter has not yet reached a concrete form. The only thing we have had from our friends in Buenos Aires was a message through their London Office to that effect.

Naturally, the moment we hear anything, we will communicate with you. We should not think of taking any steps without doing so.

*J. L. H.*



N.F.V. 205

*Embajada  
de la  
República Argentina*

*ack'd*

*Washington, D. C.*

August 27, 1935

*C. F. R.  
AUG 29 1935*

American Bank Note Co.,  
70 Broad Street  
New York City

ATTENTION Mr. Walter E. Smith  
First Vice President

Gentlemen:

I have your letter of August 26, and regret that I was not in the office when Mr. W. A. Courtney called.

I shall be in New York the first week of September, and will get in touch with you on the telephone.

Very truly yours,

*C. Alonso Irigoyen*

(C. Alonso Irigoyen)

Financial Attaché

CAI:ES



C.P.R.  
AUG 29 1935

A.L.S.

AUG 27 1935

W.E.S.

AUG 27 1935

Buenos Aires, rec'd. Aug. 27, 1935.

Ack'd.  
G.W.T.G.  
AUG 28 1935

A. B. N. Co.  
N.Y.

ACCYR Telegraph address of

LANE CONTINOTEL

—  
(John Lane)

(grl)

B

OTHER COPY IN

PACKET

593 office



W.F.S.  
AUG 24 1935

A.L.S.  
AUG 24 1935

G.W.T.C.  
AUG 24 1935

TO: [illegible]

FROM: [illegible]

[illegible]

WATERBURY  
STANDARD  
BOND

AUG 28 1935



A  
FOREIGN DEPT.  
A.B.N.CO.  
M



# All America Cables

THE INTERNATIONAL SYSTEM

To Telephone a Message or  
Call a Messenger

WHITEHALL 4-3100  
or any

POSTAL TELEGRAPH  
OFFICE

C.P.R.  
AUG 27 1935  
Postal  
Telegraph



Commercial  
Cables

FOR REPETITION SERVICE

AND ALL

OTHER DEPARTMENTS

BOWLING GREEN 9-3800

JOHN L. MERRILL, PRESIDENT

Mackay Radio

67 BROAD STREET, NEW YORK

THE FOLLOWING TELEGRAM WAS RECEIVED

"VIA ALL AMERICA"

56 BAIRE 5 27 347 PM

**CDE**  
DEL 1398 AUG 27 35

BANKNOTE NYK -

ACCYR -

LANE CONTINOTEL .



ALL AMERICAN CABLES

FOR INFORMATION SERVICE  
AND THE  
FEDERAL BUREAU OF INVESTIGATION  
DEPARTMENT OF JUSTICE

TO THE DIRECTOR OF THE  
FEDERAL BUREAU OF INVESTIGATION  
DEPARTMENT OF JUSTICE  
WASHINGTON, D.C.

DEL  
AUG 27 2 54 PM '35



NEW YORK, N.Y.

NEW YORK, N.Y.

CDE

AUG 27 1935



M

P

FOREIGN DEPT.  
A.B.N.CO.



Rio de Janeiro

TRIP

C. P. R.  
AUG 29 1935

August 28, 1935.

We acknowledge receipt of your cable of the 27th  
reading as follows:-

Telegraph address Lane Continotel.

We thank you for this information.

Yours very truly,

Manager Foreign Department.

GWTC:grl

OTHER COPY IN  
593 office



# FILING COPY

C. P. R.  
AUG 29 1935

August 28th, 1935

Mr. C. Alonso Irigoyen  
Financial Attaché  
Embassy of the Republic of Argentina  
Washington, D. C.

Dear Sir:

We are in receipt of your esteemed letter of August 27th and much appreciate the promptness of your response.

It affords us satisfaction to hear that you expect to be in New York during the first week in September, and shall look forward to the opportunity of meeting you and discussing our problem.

Yours very truly,

WES.S.

First Vice President.



AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINE NOTES

DEC 12 1935

BUENOS AIRES

DATE September 4 1935

Rio de Janeiro

TO  
New York

12/11/35

Your letter of July 26th, pages 4 and 5. I am not sure that Messrs. Hale would be at all reasonable with regard to commission. I do not recall having said that they would; I did in connection with Mr. Storm - my letter of May 10th, "Uruguayan Postage Stamps".

I have always been extremely careful regarding commissions, mainly because competition, etc. will not let prices stand heavy ones. I objected to a commission being paid Hale on Paraguayan business - about 9%, I believe. They turned over part of that to Urrutia Urrarte & Cia. We now pay the latter 4%. As you know, Hale, up to 1925, was supposed to cover Argentina, Paraguay and Uruguay which was manifestly impossible for them to do, even if the firm were more active than it was or is. Before the war, careless commissions could be paid but they did not help in the long run. The necessarily high prices were eventually resented and became incentives to local production.

I object to the 10% commission to Hale on Argentine business. We have done so little here that the old arrangement has been allowed to stand but 10% at the present time is too high.

I have promised no remuneration to Sr. Jorge Piñeiro Pearson but, in case of success, I am keeping in mind some compensation for him. He is assisting me because of my friendship of long standing with his late father and with him and his family; and because there is no one in Hale's now who is really capable and active enough in our behalf. The firm is suffering from internal rows,



Rio de Janeiro  
to  
New York

AMERICAN BANK NOTE COMPANY

RECEIVED

RECEIVED



SEP 27 1935



AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINE NOTES

-2-

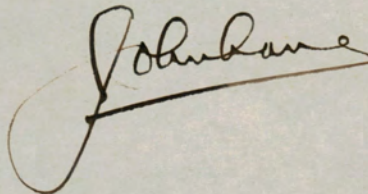
BUENOS AIRES  
DATE September 4 1935

Rio de Janeiro  
TO  
New York

complicated by the Guaranty Trust Company-it's a family affair.  
I would like to see Sr. Jorge Piñeiro Pearson become an active  
member of the firm but, for the moment, it is a complicated  
family question. ✓

As for Leng, Roberts and commissions - the greatest  
care must be exercised.

Yours very truly,

A handwritten signature in dark ink, appearing to read "John Lane". The signature is fluid and cursive, with a long horizontal stroke extending to the right. To the right of the signature is a small, handwritten mark that looks like a cursive "c" or "e".

JL



Rio de Janeiro

TO  
New York

FOREIGN DEPT.  
A.B.N. CO.



SEP 27 1935



RECEIVED

SEP 27 1935



## AMERICAN BANK NOTE COMPANY.

AIR MAIL

SUBJECT BANCO CENTRAL  
Argentine Notes

C.T.B.  
SEP 13 1935

BUENOS AIRES

DATE September 5 1935

Rio de Janeiro

to  
New York

SEP 14 1935

The Bank authorities have given no real attention to the matter of an entirely new type of note. It is evident that the line of least trouble has been taken by using the paper the Caja de Conversión has in stock or on order and simply altering the text of the engravings of the current notes to meet the needs of the Bank. These new notes are now going through the presses of the Casa de Moneda.

Mr. Muller, mentioned in my letter of May 15th, told me that the Bank was so taken up with such a number of other large problems that the matter of notes had not been given consideration at all. He had heard nothing as to equipping the Casa de Moneda. Mr. Muller, however, is more the technical adviser of the Ministry of Finance. An Englishman, Mr. F.F.J. Powell who was here with the Niemeyer Mission in 1933, arrived about a month ago to be the Bank's technical adviser.

In my interview with Sr. Muschietti, head of the Treasury Department of the Bank and who was present at the interview reported in my letter of May 15th, I was informed that notes of five pesos and less would continue to be used for account of the government. It was only a matter of bookkeeping, as the Bank would handle the issuing of all notes.

There is no doubt about Sr. Muschietti having been highly impressed by the specimens of our work. He is entirely in favor of better and more artistic notes; he considers the current ones horrible. However, there has to be overcome a very strong opposition in the form of intense national pride to have the country's notes printed locally. He stated, as very confidential information, that the notes supplied by the Casa de Moneda cost from one centavo for the lowest denomination (one peso) up to 7 centavos for the others. When I remarked that in costs, as calculated by governmental departments everywhere, there is usually omitted a number of justly chargeable items, such as overhead, depreciation, etc., he assured me that the figures represented "commercial cost". In short, the cost of the watermarked litho notes is 10 pesos to 70 pesos per thousand which, at the official rate of exchange, is about \$3.30 to \$23.10 USC. Mr. Muschietti spoke, with pride, of the organization of the Casa de Moneda, of its precautions and "absolute protection" during the course of manufacture, etc. - but it was equipped to turn out only sorry specimens.

With Sr. Jorge Piñeiro Pearson I interviewed Dr. E. Bosch and Dr. José Evaristo Uriburú, President and Vice President of the Banco Central. Our work made the same favorable impression on them as it had on Dr. Prebisch and Sr. Muschietti. Both asked me if we supplied paper, though Dr. Uriburú asserted that the paper of the current notes is excellent. No reference was



Rio de Janeiro

AMERICAN BANK NOTE COMPANY

TO  
New York  
SEP 14 1935

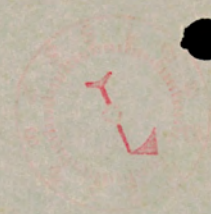
SEP 14 1935

RECEIVED



SEP 14 1935

SEP 14 1935





AMERICAN BANK NOTE COMPANY.

SUBJECT BANCO CENTRAL  
Argentine Notes

-2-

BUENOS AIRES

DATE September 5 1935

Rio de Janeiro  
TO  
New York

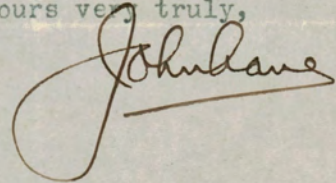
made to machinery or equipment.

It was ~~xxxx~~ clearly evident that neither of these gentlemen had given much, if any, thought to entirely new notes - they had paper and the Casa de Moneda was putting through the same old notes with altered text.

Aside from the advantage of bringing our work to the attention of these two officers, the main, immediate object of the interview was to make it possible for them to refer to the American Bank Note Company in probable conferences regarding notes: this, rather than have some other officer, such as Dr. Prebisch or Sr. Muschietti, mention us first.

In ~~xxxx~~ these interviews none of the gentlemen referred to equipping the Casa de Moneda with machinery. If there be some such proposition afoot, it is rather secret. I feel certain that Sr. Muschietti would have known or heard something about it.

Yours very truly,



JL

OTHER COPY  
593 Sub Agt.



AMERICAN BANK NOTE COMPANY.

SUBJECT BANCO CENTRAL  
Argentine Notes

-2-

BUENOS AIRES  
DATE September 5 1935

Rio de Janeiro  
TO  
New York

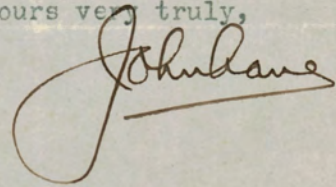
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Aside from the advantage of bringing our work to the attention of these two officers, the main, immediate object of the interview was to make it possible for them to refer to the American Bank Note Company in probable conferences regarding notes: this, rather than have some other officer, such as Dr. Prebisch or Sr. Muschietti, mention us first.

In ~~these~~ these interviews none of the gentlemen referred to equipping the Casa de Moneda with machinery. If there be some such proposition afoot, it is rather secret. I feel certain that Sr. Muschietti would have known or heard something about it.

Yours very truly,



JL

OTHER COPY  
593 Sub Agt.



AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINE NOTES

C. F. R.  
DEC 12 1935

BUENOS AIRES

DATE September 6 1935

Rio de Janeiro  
TO  
New York

Your letter of June 26th - Guillermo Kraft Ltd. thought they were on the inside track to getting the printing of notes for the Banco Central - litho printing, of course. So they wanted to get in touch with a manufacturer of good bank note paper - a long chance idea of Kraft's. They have been printing a lot of bonds recently, more or less bank-note style, and must fancy that they have graduated to bank notes themselves.

There is no doubt, in my mind, that, if the notes are not printed abroad, they will be printed by the Casa de Moneda.

Yours very truly,

*John Lane*

JL



Rio de Janeiro

TO  
New York

FOREIGN DEPT  
A. B. N. CO.



SEP 27 1935

*Handwritten signature*

RECEIVED



SEP 27 1935



W.E.S.  
SEP -9 1935

Sept 7

C.F.R. A.L.S.  
SEP 23 1935 SEP -9 1935

A.B.N.Co

N.Y.

Buenos Aires, Rec'd Sept. 9, 1935

*in #672 Confid.  
Argentine  
Notes*

AZNEV

Refer to your letter of

IVTOW

July 26th

AKSUX

have conferred with

IKHAG

Messrs. Leng, Roberts & Co. Ltd

EDKOR

There is nothing

ELFYP

to rumor

EPSEJ

to supply

EBBIK

machinery

IHLAK

Casa de Moneda, Buenos Aires

EFGAJ

or for

ARNAH

establishing

EGTIR

engraving and printing plant

EPGUL

Stop.

IKFYB

Banco

AJCOS

Central

ALBIW

will not consider

ERZEC

for some time

AMWAJ

definitive

EDHON

notes

ADHUW

and where

EHSUN

to be printed

EPGUL

Stop.

IKKYF

Argentina

ENWYV

Postage stamps

EHPET

Quote your lowest price, C.I.F. ....  
and advise when you can commence and  
complete shipment

*Argentine  
Postage Stamps.  
Ackgd  
Sept 12/35.*



DADYW	2 denominations
AGZYP	both of them
ALTYH	same as
AZNEV	refer to your letter of
IVWID	July 31st
DADHY	2,000,000
APVOT	each and
DUJHY	5,000,000
APVIT	each

IKGOR - John Lane

(IW)

OTHER COPY IN  
PACKET 67211/4593  
Sub Agt.



3 Remittance

both of them

same as

refer to your letter of

1st of May

2,000,000

each and

5,000,000

each

10000

10000

10000

10000

10000

10000

10000

10000

10000

10000 - 10000

(11)

FOREIGN DEPT.  
A.B.N.CO.



A

SEP - 9 1935



# All America Cables

THE INTERNATIONAL SYSTEM

To Telephone a Message or  
Call a Messenger

WHITEHALL 4-3100  
or any

POSTAL TELEGRAPH  
OFFICE

Postal  
Telegraph



Commercial  
Cables

PM 5 40

FOR REPETITION SERVICE  
AND ALL  
OTHER DEPARTMENTS

BOWLING GREEN 9-3800

JOHN L. MERRILL, PRESIDENT

Mackay Radio

67 BROAD STREET, NEW YORK

THE FOLLOWING TELEGRAM WAS RECEIVED

"VIA ALL AMERICA"

DEL 1256 SEP-7'35 CDE

71 BAIRE 37 7 622 PM

BANKNOTE NYK. -

AZNEV IVTOW AKSUX IKHAG EDKOR ELPYP EPSEJ EBBIK IHLAK EFGAJ  
ARNAH EGTIR EPGUL IKFYB AJCOS ALBIW ERZEC AMWAJ EDHON ADHUW  
EHSUN EPGUL IKKYF ENWYV EHPET DADYW AGZYP ELTYH AZNEV IVWID  
DADHY APVOT DUJHY APVIT IKGOR .



ALL AMERICA CABLES

THE AMERICAN CABLE COMPANY

FOR INFORMATION SERVICE  
ONLY  
STATION 430-4300  
NEW YORK

General  
Office



LF 1

IN THE OFFICE OF THE  
MANAGING DIRECTOR  
NEW YORK  
OFFICE

1935 SEP 7 P 5 26

DEL  
7 5 49 PM '35  
SEP

DEL 5-29-13 CDE

FOREIGN DEPT.  
A.B.N.CO.



SEP-9 1935



## AMERICAN BANK NOTE COMPANY.

AIR MAIL

SUBJECT ARGENTINE NOTES

Rio de Janeiro

TO  
New York

BUENOS AIRES

DATE September 8 1935

I confirm part of my telegram of September 7th-

Refer to your letter of July 26th. Have conferred with Leng, Roberts & Co. There is nothing to rumor to supply machinery Casa de Moneda or for establishing engraving and printing plant. STOP. Banco Central will not consider for some time definitive notes and where to be printed. STOP.....J.L.

The gentleman of Leng, Roberts, who handles the BW agency, is Mr. Owen. My interview ~~XX~~ was with him, Mr. Goldsworthy being present part of the time. I commenced the conversation by stating that I had received some rather indefinite information from New York to the effect that interest had somehow been started in a proposition to equip the Casa de Moneda, or to set up a plant for the Banco Central or to establish a private plant to print the Bank's notes; that I would like to know what it was all about, if possible; that I had delayed calling on his firm until I could ascertain here in Buenos Aires what there might be amongst the Bank's officers; that not one even referred to any such proposition; that some asked if we furnished paper; and that I, trying to divine the cause, even had the notion that his firm might possibly be contemplating the establishment of a note printing plant.

Mr. Owen frankly stated that his firm had heard that the ABNCo. had offered to set up a plant for the Banco Central. He immediately interviewed some Bank officials and was informed that they had not heard of it. Asked when he heard the rumor, he said that it was some time in May last. I remarked that the only ones who could have possibly made such an offer then were Mr. H.R.Treadwell and/or myself. We were here from the first days of May to the 11th of that month. I was with Mr. Treadwell in all his contacts with bank and government officials and, as he did not speak Spanish, any such offer would have been through me. The possible



Rio de Janeiro

New York

AMERICAN BANK NOTE COMPANY

C.T.B.  
SEP 18 1935





BUENOS AIRES  
September 8 1935

source, therefore, is reduced to me alone - and no such proposal was made or suggested.

In fact, I assured him, we are strongly opposed to equipping the Casa de Moneda or to setting up a separate plant for the Bank. The last time that the former idea arose directly with the government was in 1925 when Mr. Eric Gibbs was here. We do not sell printing machinery or paper. We design machines and build them for our own special needs.

Mr. Owen informed me that Leng, Roberts have no intention or desire to establish a note printing plant - there are too many worries without that. I told him we wanted the Bank to have its notes printed abroad and that we wanted to print them. I regretted that he had not communicated with me when he heard the rumor. He promised to do so should occasion again arise.

There was therefore no need to touch on commissions or remunerations. General remarks were made to the effect that, if it came to pass that the Bank decided to have its notes printed abroad but were bent on having the work done in Europe, we would certainly want BW to get the order. Leng, Roberts, he said, in case a continental firm were being favored, would throw their influence to us. Mr. Owen, of course, did not tell me who passed the rumor on to him but I do regret that some member of our firm of agents is not on the Board of Directors of the Banco Central.

.....

There you have the whole affair - based on a rumor. And no one can be more surprised than myself by the cause and by the fact that Leng, Roberts, in their inquiry of July 15th to BW, did not state the reason for that inquiry. I recommend that our colleagues in London kindly insist on knowing the origin of such matters before considering a threat



RECEIVED



SEP 18 1935

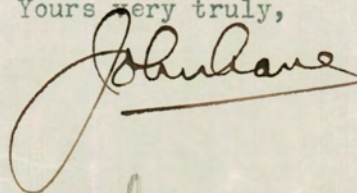


BUENOS AIRES  
September 8 1935

such as that contained in Leng, Roberts' inquiry to them. Leng, Roberts are a powerful firm but, on account of the connection with Portals, may not be an unmixed blessing for BW in the Argentine; they certainly are not for us. I feel convinced that they would just as lief have the Casa de Moneda continue to do the printing and to use Portals paper. They are almost sure of always supplying the paper. I imagine that they will do little or nothing to induce the Bank to have its notes printed abroad and so run the risk, at least, of initial competition from ourselves, De la Rue and Waterlow. These comments are just as applicable to Chile and its Talleres de Especies Valoradas, as far as we are concerned.

It is reasonable to assume that, for BW to induce Leng, Roberts to co-operate so that we would have their undivided support to get an order for notes, it could only be obtained by rather adequate compensation. The question is, would our prices stand it? would it be better, despite British trade agreements and favored exchange, to stand on our own feet and put in the lowest price for the best work obtainable? And one really can not expect BW to be enthusiastic to induce Leng, Roberts so to co-operate.

Yours very truly,



B

JL

see 11/6/36

See Cable 1/22/36  
to H. R. Treadwell

OTHER COPY IN  
PACKET 593 Sub Agt.



FOREIGN DEPT.  
A.B.N.CO.



SEP 18 1935

RECEIVED



SEP 18 1935



DUPLICATE SENT

September 20, 1935.

C. E. R.  
SEP 23 1935  
John Lane, Esq.,  
c/o S.B.Hale Limitada, S.A.,  
Bme. Mitre 430,  
Buenos Aires, Argentina.

Original by air mail  
Duplicate to Rio

Dear Sir:-

Argentine Bank Notes

We have for acknowledgment your letters of August 15th, September 5th and 8th, all of which we have read with a great deal of interest, and as a matter of record we confirm that part of your cable of September 9th reading as follows:-

"Refer to your letter of July 26th, have conferred with Messrs. Leng, Roberts & Co. Ltd. There is nothing to rumor to supply machinery Casa de Moneda, Buenos Aires, or for establishing engraving and printing plant. Stop. Banco Central will not consider for some time definitive notes and where to be printed."

You are quite correct in your understanding, as expressed in your letter of August 15th, that our general policy regarding the bank note order for the Argentine as set forth in our letter of July 26th, applies also to the orders for the Republic of Uruguay.

We are glad to hear that from what you have learned there is no foundation for the rumor that new machinery and equipment is to be purchased for the Casa de Moneda and that no bank note engraving and printing plant is to be established in Buenos Aires.

As things stand now, what we must do is to keep hammering away at the Government and bank officials until we can convince them that it will ultimately be to their interests to have the notes printed abroad and also to convince them that the class of notes they should order are those which are protected by the finest possible hand line steel engraving, as against the so-called protection which they think they can obtain by using watermarked paper.

Yours very truly,

CTB/IW

OTHER COPY IN  
PACKET 593 Sub Agt.  
Manager Foreign Department



C.F.R.  
DEC 12 1935

Buenos Aires, Sept.27, 1935

S E E : J.Lane letter ..... original filed in pkt #614 -  
S.B.HALE & Co.-ARGENTINE AGTS

1419  
RE: Mr. Antonio Caremes, and his assisting in the  
matter of Bank Notes, etc



Buenos Aires, rec'd September 30, 1935

A.B.N.Co.

N.Y.

Am leaving for

Montevideo

tonight

(John Lane)

1719  
COPY  
Orig. cable filed in #593 Office



C.P.R.  
DEC 12 1935

C.T.B.  
NOV 14 1935

s.s. "ASTURIAS"  
October 26th, 1935

*Adelgado*  
*12/11/35*

American Bank Note Company  
New York

ARGENTINE NOTES  
" AGENT

Dear Sirs:

With reference to my letter of September 27th, "Argentine Agent", I enclose a copy of my letter of even date to Messrs. Hale. The probabilities of the Casa de Moneda continuing indefinitely to print notes are still rather high.

Sr. Antonio Caramés was good enough to investigate the situation for me and, since he could not act in conjunction with anyone else, he recommended Dr. Mauricio E. Greffier as a man whose connections and activities make most suitable for our purpose.

The gentleman is a professor in the University of Buenos Aires and secretary of its Faculty of Political Economy. Aside from his political connections in the present Argentine administration, he is an intimate friend and colleague of Dr. Raúl Prebisch who was also a professor, in the same university. Sr. Caramés told me that he has put over some big deals. However, in case the Radical Party gets control of the national administration some two years hence, both gentlemen will undoubtedly <sup>be</sup> turned out.

My letter to Messrs. Hale gives other details. Sr. Ricardo Pearson received my verbal communication quite cordially. In the meantime, I consider the arrangement a helpful one and I believe that I have roused Sr. Pearson to a greater interest in our work and aims and to make better use of his connections with Sres. Bullrich, Uriburu and others.

Yours very truly,

*John B. ...*

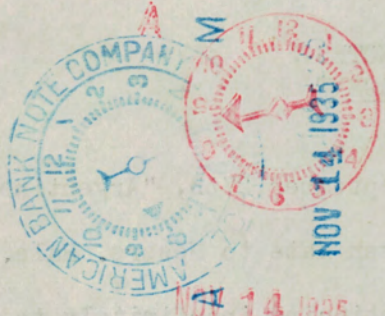
JL



C.T.B.  
NOV 14 1935

FOREIGN DEPT  
A.B.N.CO.

RECEIVED



My letter to Mr. Pearson, dated five other details. Dr. Pearson  
received my verbal communication quite cordially. In the mean-  
time, I consider the arrangement a helpful one and I believe that I have  
found Dr. Pearson to a greater interest in our work and aims and to  
better use of his connections with Great Britain, Ireland and others.

Dr. Pearson is a professor in the University of Buenos Aires  
and secretary of the Faculty of Political Economy. Aside from his polit-  
ical connections in the present Argentine administration, he is an influ-  
ential friend and colleague of Dr. Raúl Prebisch who was also a professor  
in the same university. Dr. Pearson told me that he had not over come  
the doubt. However, in case the Radical Party lost control of the na-  
tional administration some two years hence, both gentlemen will undoubtedly

*John Pearson*



C. P. R.  
DEC 12 1935

S.S. "Asturias"  
October 26th, 1935

Messrs.  
Samuel B. Hale, Ltd.,  
Buenos Aires.

ARGENTINE NOTES

Dear Sirs:

With reference to my conversation with Sr. Ricardo Pearson Hale yesterday afternoon, I wish to confirm its principal points in connection with the Banco Central de la Republica Argentina.

- There are, in my opinion, two main tasks which confront us:-
1. to convince the Banco Central to have its notes printed abroad;
  - a) of the advantage of having the best steel engraved (unetched) notes, without watermark;
  - b) and to induce its officers to take the step.
2. to have the American Bank Note Company print the notes.

As to the first task. We have the very favorable impression made on Dr. Raul Prebisch and Sr. Amilcar A. Muschetti - General manager and treasurer, respectively, of the Bank. Drs. Bosch and Urburu, president and vice-president, respectively, were also most favorably impressed.

As you know, there are two interests which will fight for the use of watermarked paper - the English firm of Portals (represented by Leng, Roberts through the Anglo-Italian Paper Co.) and that of Pietro Millant, owned by the Italian Government. These two firms will undoubtedly battle in favor of the Casa de Moneda's continuing to supply the notes.

As you also know, the American Bank Note Company has gone to great expense in testing and manipulating watermarked paper for notes to ascertain whether or not it has real protective qualities against counterfeiting. The Company even imported watermarked paper from England for the purpose but it conclusively proved and it is thoroughly convinced that its own highly specialized, technical art of steel engraving (unetched - sin agna fuerte) notes is infinitely superior to watermarked notes. And the English printing houses know that it is so. From every standpoint - of protection against counterfeiting, of artistic production, of durability of paper, of permanence of inks - all steel engraved notes are the best. And the American Bank Note Company produced the best, unetched steel engraved notes, superior to any produced by any other concern existing to-day. And the Argentine deserves to have the best notes obtainable.

In the pamphlets, letters and memoranda, which have been sent you from time to time, there are other convincing details about our notes



Oct. 26/35

which can be used effectively in treating with the Bank's officers. I would call your attention, for instance, to my letter of April 4th, 1935, to you, in which were set forth sundry considerations as to why the best interests of a Banco Central and of the public can not be best served by having circulating notes printed in a governmental department and, especially, in one which, it must be admitted, turns out notes as inferior as those of the Casa de Moneda. I again suggest that you have Dr. Uriburu read those considerations, leaving a copy for his private, confidential use in case he desire it. If Dr. Uriburu can be convinced, a large step forward will be gained.

The three officers of the Banco Central, who can bring about the printing of its notes abroad, and there is nothing in the banking law which prohibits it, have been mentioned above - Sres. Uriburu, Prebisch and Mischietti.

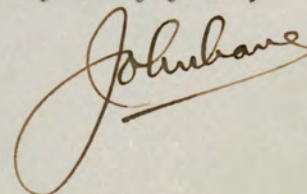
As to the second task. There are many obstacles and opposing influences but, granted success in the first task, we can win out in the second. I shall here merely mention those obstacles and influences:- British competition coming from: the British government itself in connection with the renewal of the Roca pact next year; two British directors on the Bank's board, Mr. Roberts of Leng, Roberts who represent Portals and Bradbury, Wilkinson & Co., and Mr. Welch of the Bank of London and So. America; Mr. F.F.J. Powell, the Bank's technical adviser; and firms of Bradbury, Wilkinson & Co., Waterlow & Sons and Thomas de la Rue & Co.

For the purpose of combatting all this and of obtaining for the American Bank Note Company the honor of supplying notes to the Argentine, I believe that, in addition to the contacts you have with Drs. Bosch, Uriburu and Eduardo Bullrich and many others, we should have a more ~~an~~ active, interested contact with governmental and banking officials. To this end, I had an interview with Dr. Mauricio E. Greffier, who has been recommended to me as a man who can be of effective assistance. I have given you verbally some details about <sup>him</sup> and where he would be most effective. His address is, Paraná 473 (phone 38 Mayo 7568).

Dr. Greffier has agreed to work in conjunction with you. I have requested him to call on Sr. Ricardo Pearson Hale whenever he needs information or wishes to show our specimens. I also informed him that, in case we submitted offers to the Bank, our prices would have to be very low, cost or below, and that remuneration would have to be governed accordingly; otherwise, the matter of remuneration was not discussed.

I am obliged to Sr. Ricardo Pearson Hale for his favorable reception of what is confirmed above and for his assurances that everything would be done to put across the job before us - the printing of notes for the Argentine by the American Bank Note Company.

Very truly yours,



JL



FOREIGN DEPT.  
A.B.N.CO.



NOV 14 1935

21

*Handwritten signature*



C.F.R.  
NOV 27 1935

November 25, 1935.

A. L. Schomp, Esq.,

President

---

Kindly issue a permit for Mr. G. Alonso Irigoyen,  
Financial Attaché of the Argentine Embassy, Washington, to  
visit our plant on Tuesday morning, November 26th. Mr. Irigoyen  
will be accompanied by the writer.

---

Manager Foreign Department

IW

PACKET 1126



BANKNOTE (John Lane)  
Rio. (Brazil)

C. P. R.  
DEC 12 1935

December 11, 1935.

*Boyle*  
*12/11/35*

ASZEL From  
AXLOH interview  
EXNUN with  
EDXAK official  
ARBAV Embassy  
IKKYF Argentina  
ILGUK Washington, D.C.  
ALMAW we are convinced that  
ENJOJ present situation  
EPNEC such that  
AWDIX immediate  
ABXIT action must be taken  
FKHOS with regard to  
AFXOX bank note  
AHFYN business  
EPGUL Stop.  
IKJYH H. R. Treadwell  
ELSAP sailing on  
ILJUD "Southern Prince"  
IZBEK December 14th  
ALNIF to cooperate  
EXPIK with you  
EPGUL Stop.  
ADZAZ Arrange to  
AZJUX to leave for  
IKKAK Buenos Aires

*OK*  
*[Signature]*



AXWYW

joining

IKJYH

JH.R.Treadwell

ILJUD

"Southern Prince"

(IW)



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For Repetition Service and  
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JOHN L. MERRILL, PRESIDENT

Postal  
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Commercial  
Cables

Mackay Radio

NUMBER \_\_\_\_\_

TIME \_\_\_\_\_

M M \_\_\_\_\_

CHECK \_\_\_\_\_

67 BROAD STREET, NEW YORK

SEND THE FOLLOWING TELEGRAM, SUBJECT TO THE TERMS ON BACK HEREOF, WHICH ARE HEREBY AGREED TO

(CDE)

December 11, 1935.

BANKNOTE

RIO(Brazil)

ASZEL AXLOH EXNUM EDXAK ARBAV IKKYF ILGUK  
ALMAW ENJOJ EPNEC AWDIX ABXIT EKHOS AFXOX  
AHFYN EPGUL IKJYH ELSAP ILJUD IZBEK ALNIF  
EXPIK EPGUL ADZAZ AZJUX IKKAK AXWYW IKJYH  
ILJUD

*J. M. George*

Sender's Name and Address

ORDINARY MESSAGE UNLESS MARKED OTHERWISE



## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays the sender of a message should order it repeated, that is, transmitted back to the originating office for comparison. For this, one-half the regular rate is charged in addition. Unless specifically stated on its face to be 'a repeated message,' this is an un-repeated message and paid for as such.

**THIS COMPANY WILL NOT ASSUME ANY RESPONSIBILITY CONCERNING ANY MESSAGES BEYOND THE TERMINUS OF ITS OWN LINES.**

It is agreed between the sender of the message on the reverse hereof and this Company, that this Company shall not be liable for mistakes or delays in the transmission or delivery, nor for non-delivery, to the next connecting telegraph, cable, or wireless company, or to the addressee, of any un-repeated message, beyond the amount of that portion of the charges which may or shall accrue to this Company out of the amount received from the sender for this Company, and the other companies, by whose lines such message may pass to reach its destination; and that this Company shall not be liable for mistakes or delays in the transmission or delivery, nor for non-delivery, to the next connecting telegraph, cable, or wireless company, or to the addressee, of any repeated mes-

sage, beyond fifty times the extra sum received by this Company from the sender for repeating such message over its own lines, and that this Company shall not be liable, in any case for delays arising from interruption in the working of its lines or from congestion of traffic, nor for errors in cipher or obscure messages, or caused by indistinct handwriting or typewriting; and that in any event this Company shall not be held liable for any loss or damage, or for delay or detention, or error caused by storms or the action of the elements, or other acts of God, or by civil or military authority, or by insurrection, riots, rebellions, or dangers incident to the time of war, or by the unlawful acts of individuals, or for errors or delays of connecting companies. The Company is hereby made the agent of the sender, without liability, to forward this message by means of wire or wireless either over its own lines or facilities or those of connecting companies unless the sender otherwise specifically directs.

No responsibility attaches to this Company concerning messages until the same are presented and accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, or by a messenger of any other company, he acts as the agent of the sender for the purpose of delivering the message and any

notice or instruction regarding it to the Company's agent in its said office. Any message sent to the Company's office by private wire or by telephone or by telegraph or through a connecting telegraph, cable, or wireless company, is sent at the sender's risk of errors or failures in such service and all of the terms and conditions herein shall apply to the message throughout, and the person receiving such message by private wire or by telephone or by telegraph or through a connecting telegraph, cable, or wireless company acts for that purpose as the agent of the sender, and is authorized to assent to these conditions on behalf of the sender.

It is agreed that this Company shall not be liable for damages or statutory penalties in any case where the claim is not presented to it in writing within sixty days after the message is filed with this Company for transmission.

It is agreed that prompt and correct transmission and delivery of this message shall be assumed in any action for recovery of the tolls therefor, subject, however, to rebuttal by competent evidence.

The above terms and conditions shall be binding upon the receiver as well as the sender of this message.

No employee of the Company is authorized to vary the foregoing.

**ALL AMERICA CABLES, INCORPORATED,**  
John L. Merrill, President.

## PRINCIPAL OFFICES

NEW YORK CITY—addresses and telephone connections—*See other side*

WASHINGTON, D. C.,  
8 Dupont Circle.

MEXICO,  
Salina Cruz.

GUATEMALA,  
San Jose,  
Guatemala City.

SALVADOR,  
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PORTO RICO,  
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ARUBA,  
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DOMINICAN REPUBLIC,  
Santo Domingo,  
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Santiago de los Caballeros,  
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Iquique,  
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Santiago,  
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Tocopilla.

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Buenos Aires,  
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URUGUAY,  
Montevideo.

BRAZIL,  
Rio de Janeiro,  
Santos,  
Sao Paulo.

*Messages marked "VIA ALL AMERICA" are accepted at all Postal Telegraph and Canadian Pacific Railways Telegraph offices.*



ARGENTINE BANK NOTES

December 11, 1935.

Original via air mail  
(Duplicate to Buenos Aires)

We hereby confirm our cable of today's date reading  
as follows:-

"From interview with official Embassy Argentina Washington, D.C. we are convinced that present situation such that immediate action must be taken with regard to bank note business. Stop. H.R. Treadwell sailing on "Southern Prince" December 14th, to cooperate with you. Stop. Arrange to leave for Buenos Aires joining H.R. Treadwell "Southern Prince."

During the last two weeks we have been in close contact with Mr. C. Alonso Irigoyen, the Financial Attaché of the Argentine Embassy at Washington, D.C. We had the pleasure of taking him through our plant and explaining to him all the details with regard to the engraving and printing of bank notes. In addition to that we have had two very interesting interviews with Mr. Irigoyen here in the Office.

From our conversations with him and from other information we have received, we are convinced that the time has arrived when we have to take quick and energetic action in connection with the prospective bank note order for the Government of the Argentine.

As advised you in our cable, Mr. H.R. Treadwell will sail from here on the 14th, and we asked you to make all preparations to leave for the Argentine, per the S.S. Southern Price, which is due to arrive in Rio on the 29th inst.



ARGENTINE BANK NOTES

December 11, 1935.

Original via air mail  
(Duplicate to Buenos Aires)

-2-

When you join Mr. Treadwell on the steamer he will inform you personally of the present situation in connection with this business.

In connection with the Argentine notes, we acknowledge receipt of your letters of September 4th, 27th and October 26th.

In regard to the commissions which will have to be paid if the order is awarded to us, we know that you understand the matter fully and that you will take all care to avoid undue or high commissions. Mr. Treadwell will also discuss this point with you.

We are glad to see from your letter of October 26th that you have been able to work Mr. Pearson up to a greater interest in our business and that he is amenable to your suggestions, which you gave him verbally and also confirmed in your letter of October 26th.

We are enclosing herewith your your information and files copies of the correspondence exchanged between ourselves and Messrs. S.B. Hale & Co. dealing with their agency agreement with us.

Yours very truly,

Enclosures - 5  
CTB/IW

Manager Foreign Department

*dates?*

OTHER COPY IN  
PACKET 593 Sub Agt.



*Dec. 13<sup>th</sup>*

-2-

RIO, Rec'd Dec.14,1935

EKRUP	rendered
EZDAR	this year
EPCUL	Stop
<hr/>	
IRNEL	Refer to your telegram of 11th
ETXEN	in view of
ASTOM	foregoing
ABDYG	shall not be able to
AXWOW	join
IKJYH	H.R.Treadwell
ILJUD	"Southern Prince"

-----  
(John Lane)

(IW)

*orig. filed in 575 B.N's*



## AMERICAN BANK NOTE COMPANY.

AIR MAIL

Rio de Janeiro

SUBJECT Argentine Notes

TO  
New York

DATE December 17 1935

Your telegram of December 11th-

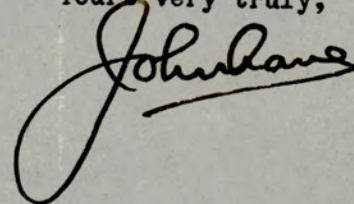
From interview with officials embassy Argentina Washington, D.C., we are convinced that present situation such that immediate action must be taken with regard to bank note business. STOP. H. R. Treadwell sailing on "Southern Prince" December 14th to co-operate with you. STOP. Arrange to leave for Buenos Aires, joining H. R. Treadwell "Southern Prince"

Part of my telegram of December 13th-

....STOP. Refer to your telegram of 11th, in view of foregoing, shall not be able to join H. R. Treadwell "Southern Prince".

I shall see Mr. Treadwell here on December 27th and go over things with him. It is most regrettable that the situation here suddenly became acute, for I would like nothing better than to go along with him to Buenos Aires and battle with the Argentine and Uruguayan situations.

Yours very truly,



JL

P.S.- December 18th.

Since sending the steamer mail copy of this letter, I received to-day your air mail letter of December 11th, with enclosures as stated.

OTHER COPY IN  
PACKET 593 Sub Agt.



Rio de Janeiro

ALL MAIL

AMERICAN BANK NOTE COMPANY

TO

New York

1935

17

RECEIVED  
AMERICAN BANK NOTE COMPANY  
NEW YORK

RECEIVED

AMERICAN BANK NOTE COMPANY  
NEW YORK

RECEIVED  
AMERICAN BANK NOTE COMPANY  
NEW YORK

Your telegram of December 15th, in view of the fact that we are unable to locate the "Southern Prince" at present, we are unable to make any arrangements for its return. We are, however, in communication with the Argentine authorities and will advise you as soon as we have more definite information.

Part of my telegram of December 15th:-

....STOP. Refer to your telegram of 15th, in view of foregoing, shall not be able to join H. E. Treadwell "Southern Prince".

I shall see Mr. Treadwell here on December 27th and go

over things with him. It is most regrettable that the situation here suddenly became worse, for I would have been better than to go along with him to Buenos Aires and battle with the Argentine and Uruguayan authorities.

Yours very truly,

*John H. ...*

P.S. - December 18th. Since sending the above mail copy of this letter, I received to-day your air mail letter of December 18th, with enclosures stated.



# Jan. 21, 1936

S E E - A.L.S. letter to H.L. Hendriks .....filed in #1719 Bco Cent. de la  
Rep. Argentine

Excerpt from :

# re: Mr. Treadwell's (H.R.) Memo.  
to Bco Central



Buenos Aires, rec'd. Jan. 21, 1936.

A. B. N. Co.  
N. Y.

GOLDSWORTHY

EDVEV of  
IHLYZ Leng, Roberts & Co. Ltd., Buenos Aires, Argentina  
EDBOG in New York  
EGVUX please  
ANNAV invite  
AVGEV him  
EVLUC to visit  
EGTAR plant  
AZWIR located at

PHILCO COMPANY

Treadwell.

(gr1)

*Did we get  
this for filing?*

*this is not regular  
filing copy*

OTHER COPY IN  
PACKET Mr Schoup's file



C.T.B.  
JAN 22 1936

C.F.R.  
JAN 27 1936

New York, January 22, 1936.

*Comp.*  
*1/25/36*

H. R. TREADWELL

CARE OF

LENROB (Leng, Roberts & Co. Ltd.)

BUENOS AIRES (Argentina)

ADRUR Have appointment with

GOLDSWORTHY

ECJEN Monday

ISBUD January 27th

---

IKJOF A. L. Schomp.

(grl)

*pld*

OTHER COPY IN

PACKET 1728



# All America Cables

THE INTERNATIONAL SYSTEM

To Telephone a Message or  
Call a Messenger

WHITEHALL 4-3100

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POSTAL TELEGRAPH OFFICE

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JOHN L. MERRILL, PRESIDENT

Postal  
Telegraph



Commercial  
Cables

Mackay Radio

NUMBER \_\_\_\_\_

TIME \_\_\_\_\_

M M \_\_\_\_\_

CHECK \_\_\_\_\_

67 BROAD STREET, NEW YORK

SEND THE FOLLOWING TELEGRAM, SUBJECT TO THE TERMS ON BACK HEREOF, WHICH ARE HEREBY AGREED TO

JANUARY 22, 1936.

(CDE)

H. R. TREADWELL

CARE OF LENROB

BUENOS AIRES (Argentina)

A DRUR GOLDSWORTHY ECJEN ISBUD IKJOF

*John L. Merrill*

Sender's Name and Address

ORDINARY MESSAGE UNLESS MARKED OTHERWISE



## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays the sender of a message should order it repeated, that is, transmitted back to the originating office for comparison. For this, one-half the regular rate is charged in addition. Unless specifically stated on its face to be 'a repeated message,' this is an un-repeated message and paid for as such.

**THIS COMPANY WILL NOT ASSUME ANY RESPONSIBILITY CONCERNING ANY MESSAGES BEYOND THE TERMINUS OF ITS OWN LINES.**

It is agreed between the sender of the message on the reverse hereof and this Company, that this Company shall not be liable for mistakes or delays in the transmission or delivery, nor for non-delivery, to the next connecting telegraph, cable, or wireless company, or to the addressee, of any un-repeated message, beyond the amount of that portion of the charges which may or shall accrue to this Company out of the amount received from the sender for this Company, and the other companies, by whose lines such message may pass to reach its destination; and that this Company shall not be liable for mistakes or delays in the transmission or delivery, nor for non-delivery, to the next connecting telegraph, cable, or wireless company, or to the addressee, of any repeated mes-

sage, beyond fifty times the extrasum received by this Company from the sender for repeating such message over its own lines, and that this Company shall not be liable, in any case for delays arising from interruption in the working of its lines or from congestion of traffic, nor for errors in cipher or obscure messages, or caused by indistinct handwriting or typewriting; and that in any event this Company shall not be held liable for any loss or damage, or for delay or detention, or error caused by storms or the action of the elements, or other acts of God, or by civil or military authority, or by insurrection, riots, rebellions, or dangers incident to the time of war, or by the unlawful acts of individuals, or for errors or delays of connecting companies. The Company is hereby made the agent of the sender, without liability, to forward this message by means of wire or wireless either over its own lines or facilities or those of connecting companies unless the sender otherwise specifically directs.

No responsibility attaches to this Company concerning messages until the same are presented and accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, or by a messenger of any other company, he acts as the agent of the sender for the purpose of delivering the message and any

notice or instruction regarding it to the Company's agent in its said office. Any message sent to the Company's office by private wire or by telephone or by telegraph or through a connecting telegraph, cable, or wireless company, is sent at the sender's risk of errors or failures in such service and all of the terms and conditions herein shall apply to the message throughout, and the person receiving such message by private wire or by telephone or by telegraph or through a connecting telegraph, cable, or wireless company acts for that purpose as the agent of the sender, and is authorized to assent to these conditions on behalf of the sender.

It is agreed that this Company shall not be liable for damages or statutory penalties in any case where the claim is not presented to it in writing within sixty days after the message is filed with this Company for transmission.

It is agreed that prompt and correct transmission and delivery of this message shall be presumed in any action for recovery of the tolls therefor, subject, however, to rebuttal by competent evidence.

The above terms and conditions shall be binding upon the receiver as well as the sender of this message.

No employee of the Company is authorized to vary the foregoing.

**ALL AMERICA CABLES, INCORPORATED,**  
John L. Merrill, President.

## PRINCIPAL OFFICES

NEW YORK CITY—addresses and telephone connections—*See other side*

WASHINGTON, D. C.,  
8 Dupont Circle.

MEXICO,  
Salina Cruz.

GUATEMALA,  
San Jose,  
Guatemala City.

SALVADOR,  
San Salvador.

NICARAGUA,  
San Juan del Sur,  
Managua.

COSTA RICA,  
Port Limon,  
San Jose,  
Puntarenas.

PANAMA,  
Panama,  
Balboa,  
Colon.

COLOMBIA,  
Buenaventura,  
Cartagena,  
Bogota,  
Barranquilla,  
Cali,  
Medellin.

VENEZUELA,  
Caracas,  
La Guayra,  
Vela de Coro,  
Maracaibo.

CURACAO,  
Willemstad.

CUBA,  
Fisherman's Point,  
Santiago,  
Guantanamo,  
Havana.

PORTO RICO,  
Ponce,  
San Juan,  
Mayaguez.

ARUBA,  
Oranjestad.  
DOMINICAN REPUBLIC,  
Santo Domingo,  
Puerto Plata,  
San Pedro de Macoris,  
Santiago de los Caballeros,  
La Vega.

HAITI,  
Port-au-Prince,  
Cap Haitien.

VIRGIN ISLANDS,  
St. Thomas.

ECUADOR,  
Esmeraldas,  
Santa Elena,  
Guayaquil.

PERU,  
Paita,  
Callao,  
Lima,  
Trujillo,  
Piura,  
Tacna.

BOLIVIA,  
Corocoro,  
La Paz,  
Oruro.

CHILE,  
Iquique,  
Antofagasta,  
Valparaiso,  
Santiago,  
Arica,  
Tocopilla.

ARGENTINA,  
Buenos Aires,  
Mendoza,  
Rosario.

URUGUAY,  
Montevideo.

BRAZIL,  
Rio de Janeiro,  
Santos,  
Sao Paulo.

*Messages marked "VIA ALL AMERICA" are accepted at all Postal Telegraph and Canadian Pacific Railways Telegraph offices.*



C. P. R.  
JAN 27 1936

DUPLICATE SENT

January 25, 1936.

Henry R. Treadwell, Esq.,  
c/o United States Consulate General,  
Buenos Aires, Argentina.

Original via air mail

Dear Mr. Treadwell:-

Availing myself of the information you were  
good enough to send me, that Mr. Goldsworthy was in New York,  
immediately upon receipt of your cable to that effect, I got in  
touch with him and have made arrangements to take him to our plant  
on Monday next, January 27th. In this connection I cabled you on  
January 22nd:-

"Have appointment with Goldsworthy Monday  
January 27th."

which I sent you in order to let you know that I had gotten into  
communication with Mr. Goldsworthy, in case you wished to cable me  
regarding any matter that might arise in the meantime and which  
you would like me to take up with him.

Should anything transpire in his conversation with  
me which would be of any help to you in the negotiations you are  
carrying on, I will immediately transmit the same to you.

Yours very truly,

President.

See J. L. letter  
9/8/35

OTHER COPY IN  
PACKET 1728

not rec'd  
for filing  
See R22  
Schimpf's  
files



TRANSLATION.

Banco Central de la República Argentina  
Manager of the Treasury Department

C. P. R.  
DEC 30 1937

Buenos Aires, January 27th., 1936.

H.R. Treadwell, Esq.,  
Vice President of the  
American Bank Note Co.

Leng, Roberts & Co. (Ventas) S.A.  
Reconquista 314 - Buenos Aires.

Dear Sir:

I have pleasure in acknowledging receipt of your favour of the 23rd. inst., with a very interesting and detailed report in connection with the problem of the manufacture of a new issue of paper currency, a problem which this Central Bank is at present studying.

On taking note of this extensive memorandum which contains data with regard to modern methods and security printing and suggestions with regard to the most advisable manner of carrying them out, we beg to advise you that this matter will shortly have due consideration by the Bank in order to arrive by a definite and complete solution of the matter of the new notes to be adopted.

We are much obliged to you for your courtesy in stating that you will remain in Buenos Aires for a certain time awaiting a decision with regard to the report you have presented in the name of the American Bank Note Company. We beg to advise you that although we cannot say now when the main points on this matter will be decided we shall keep you advised through your representatives Messrs. Leng, Roberts & Co. (Ventas) S.A.

Thanking you again for your valuable cooperation,

I remain,

yours very truly,

Sgd. Amilcar A. Muschietti.

HH/



C. P. R.  
DEC 30 1937

Buenos Aires, 27 de enero de 1936.

Señor Don H.R.Treadwell  
Vice-Presidente del  
American Bank Note Cº

Leng, Roberts & Cº (Ventas) S.A.  
Reconquista 314 - Ciudad.

De mi consideración:

Tengo el agrado de dirigirme a Ud. para acusarle recibo de su atenta nota de fecha 23 corriente, con una interesante y detallada información relacionada con el estudio del problema de la elaboración de una nueva emisión de billetes papel moneda, a que se halla abocado en estos momentos este Banco Central.

Al tomar debida nota de ese prolijo trabajo, que contiene antecedentes sobre los métodos modernos de impresión de valores, y sugerencias acerca de los más adecuados procedimientos para llevarlos a la práctica, cúmplenos manifestar a Ud. que ha de merecer en breve la deferente consideración del Bancó a los efectos de dejar resuelto en forma adecuada e integral este asunto de los nuevos billetes a adoptarse.

Muy reconocidos a Ud. por su amable propósito manifestado, de permanecer en Buenos Aires por un período de tiempo, a la espera de las indicaciones que pudieran





mi consideración más distinguida.



Buenos Aires, Rec'd Feb. 5, 1936.

A.B.N.Co

N.Y.

AKKEB	Completed
ANZUP	discussion(s)
EXNUN	with
IBCAC	Banco Central de la República Argentina
ESHOH	today
IBCAC	Banco Central de la República Argentina
ASJUL	favours
ASVAL	forming
AKGOJ	company
AWJAV	in
IKKAG	Buenos Aires
IBCAC	Banco Central de la República Argentina
EMGEJ	will send
EKXIF	representative(s)
EVLUC	to visit
ECTOS	our plant
EMKUM	several
EGTOB	plans
ALCAD	for consideration
ELSEL	Am sailing
ISKAD	February 15th

IKJWH - H.R. Treadwell

see 4/7/36 in  
#1598 which  
may be charge  
for this cable

(IW)

(A. L. S. Carson)



Argentine Bank Notes.

Tell *Est.*

The par value of the Argentine Paper Peso is 42.44 Cents  
U.S. Currency, and it is currently quoted at *27.00* Cents.



FEB 14 1936

8768

C.P.R.  
FEB 18 1936

CONSOLIDATED REPORT

FOREIGN DEPARTMENTS

DUN & BRADSTREET, Inc.

KRAFT LTDA., Guillermo S.A. de Impresiones Generales.  
Reconquista 240.

BUENOS AIRES.  
Argentina.

JANUARY 3rd, 1936.

At date it is ascertained that a short time ago subject company acquired the property Reconquista 321/25/27, privately, the conditions of this operation being unknown, as the buying and selling firm maintain a reserve in this respect. In some circles it is stated that the company made this acquisition with the object to remove its offices to its own building, as the premises which they occupy at present, in August 1935 were bought by the Banco Central and the building will be demolished or repaired in order to be occupied by same. Moreover the informations contained in the report of December 1935 are fully confirmed.

The directors continue to be referred to as men of good moral standing and correct procedures.

The company obtains reasonable credits with which they comply well.

HLT/2/14/36.

Please note whether name, business and street address correspond with your inquiry.

The foregoing report is furnished, at your request, under your Subscription Contract, in STRICT CONFIDENCE, by DUN & BRADSTREET, Inc. as your agents and employees, for your exclusive use as an aid in determining the advisability of granting credit or insurance, and for no other purpose.



CONSOLIDATED REPORT  
FOREIGN DEPARTMENTS

DUN & BRADSTREET, Inc.

KRAFT LTDA.? Guillermo, Soc. Anon de Impresiones  
Reconquista 240. Generales.

Buenos Aires  
Argentina

DECEMBER 19th, 1935.

DIRECTORATE

President	Guillermo Kraft
Vice-President	Guillermo Kraft (jr.)
Managing-Director	Carlos A. Lutzeler
Director	Alberto Kraft
"	Jose Oriani
Syndic	Dr. Santiago Baque
" substitute	Alberto Hoeffner

ANTECEDENTS:-

The statutes of this company were approved under decree of the national government dated 18th November 1925. Its duration is 50 years and the authorised capital 2,000,000 pesos, represented in series of 5,000 shares each, of a value of 100 pesos each share. Of that capital 1,850,000 pesos are subscribed and paid-in. The company was constituted with the object to take over the business which the present general director Guillermo Kraft had been exploiting under his name since many years.

The president Guillermo Kraft is syndic of "La Internacional" Cia. de Seguros, voting member of "La Protectora", Cia. de Seguros. Dr. Santiago Baque is president of the "Galena Signal Oil Co". "Cia. Interprovincial de Servicios Publicos", director of "Cia. General de Electricidad de Cordoba", director of "Credito Inmobiliario Argentino", Vice-President of "Quimica Argentina Elca" etc.

They hold the representation of the typewriters "MERCEDES".

METHOD OF OPERATION:-

They are engaged in printing in general, exploitation of graphical workshops, having annexed some time ago a department of commercial reports. They publish the directory "KRAFT" and "EL LIBRO VERDE DE LOS TELEFONOS". THEIR clients reside principally in this city, and they effect their works on a cash basis, in current account and against promissory notes at different dates. Their workshops are installed in Calle Espana 151 and Martin Garcia 743. Originally they had their administration and sales rooms in Calle Corrientes 530, from where they removed to the present address in July 1934.

FINANCIAL INFORMATION:-

Balance 30/6/1932-	Profits	139,485.85	Pesos
" 30/6/1933-	"	90,566.54	"
" 30/6/1934-	"	143,834.17	"

The figures corresponding to the balance taken on 30th June 1935 are transcribed below:

ASSETS:-

FIXED ASSETS

Building plots and buildings	640,046.68
Machines and accessories	584,157.93
Materials	12,379.00
Furniture and fixtures	1.00
Installations and vehicles	1.00

-1-

Please note whether name, business and street address correspond with your inquiry.

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# CONSOLIDATED REPORT

FOREIGN DEPARTMENTS

## DUN & BRADSTREET, Inc.

KRAFT LTDA., Guillermo, Soc. Anon. de Impresiones  
Sheet #2. Generales.

BUENOS AIRES.  
Argentina.

### ASSETS:-cont'd.

#### CIRCULATING ASSETS

Materials for consumption, works in hand and elaborated merchandise	879,803.05
Securities and shares	26,321.02

#### QUICK ASSETS

Cash and Banks	32,973.32
----------------	-----------

#### EXIGIBLE ASSETS

Debtors in current account, ordinary	484,852.68
" " " " government departm.	292,232.10
Debtors for building editions	67,230.23
Documents to collect	39,840.21
Deposits in guarantee for tenders	82,773.93

#### TRANSITORY ASSETS

Advances for future financial year	81,964.25
------------------------------------	-----------

#### NOMINAL ASSETS

Registered trade-mark and concessions	1.00
---------------------------------------	------

#### CONTRA ACCOUNTS

Deposit of shares in guarantee (directorate)	70,000.00
" " securities in " (tenders)	123,500.00
	<u>3,418,077.40</u>

### LIABILITIES:-

#### NON EXIGIBLE LIABILITIES

Subscribed and paid-in capital	1,850,000.00
Legal reserve fund	160,315.69
Special " "	<u>352,374.27</u>
	512,689.96

#### EXIGIBLE LIABILITIES

Creditors in current account	101,896.98
Mortgage creditors	102,505.16
Documents to pay	319,336.04
Current accounts of staff	20,025.52
Guillermo Kraft	114,367.71

#### TRANSITORY LIABILITIES

Operations in abeyance	52,915.15
	<u>3,073,736.52</u>

#### PROFITS:

Balance of previous period	10,151.20	
Profit of present period	<u>140,689.68</u>	150,840.88

#### CONTRA ACCOUNTS:

Depositors of shares in guarantee	70,000.00
" " securities in guarantee	123,500.00
	<u>3,418,077.40</u>

### STATEMENT OF THE PROFIT & LOSS ACCOUNT DEBIT.

Depreciations	116,679.27
General expenses	319,616.62
Financial expenses	60,810.43

#### PROFITS:

Balance of previous period	10,151.20	
Profit of present year	<u>140,689.68</u>	(2) 150,840.88

Please note whether name, business and street address correspond with your inquiry.

The foregoing report is furnished, at your request, under your Subscription Contract, in STRICT CONFIDENCE, by DUN & BRADSTREET, Inc. as your agents and employees, for your exclusive use as an aid in determining the advisability of granting credit or insurance, and for no other purpose.



# CONSOLIDATED REPORT

FOREIGN DEPARTMENTS

DUN & BRADSTREET, Inc.

KRAFT LTDA., Guillermo, Soc. Anon. de Impresiones  
Sheet #3. Generales.

BUENOS AIRES.  
Argentina.

DEBIT:-cont'd.

647,847.20

CREDIT:-

Previous balance  
Gross profits on sales of printed matters and editions

10,151.20

637,696.00  
647,847.20

The balance of profits of 150,840.88 pesos was distributed as follows:  
10% for the legal reserve fund 14,068.97 pesos, 8½% for the directors  
11,958.62, pesos, 1½% for the syndic 2,110.35 pesos, remaining a balance  
of 122,702.94 pesos, which the directorate distributed as indicated below:  
6% dividend on paid-up capital of 1,850,000 pesos, ie. 111,000 pesos  
and the balance of 11,702.94 pesos was carried forward to the new account.

## FINANCIAL ANALYSIS:

In accordance with investigations carried out amongst consulted channels opinions are gathered which tend to show that the above figures represent a demonstration of the financial position of this company. It is pointed out that the totals of the balance transcribed are approximate to those of the previous trading year, the importance of the diverse items being approximate on both occasions. It is stated that subject company is operating normally on a scale of certain importance, counting with numerous clients who enable them to maintain a continuous activity in their workshops, thus permitting them to obtain satisfactory results from their commercial actuation and which are reflected by the statement of the profit and loss account, in which it will be noted they have effected depreciations for an amount of certain importance and in which 21,763.86 pesos are included corresponding to the item "Slow and doubtful accounts."

The members of the directorate are referred to as active, attentive to the interests entrusted to them and correct in their general procedures.

## TRADE OPINIONS:-

Locally they obtain facilities for proportionate sums in different forms with which they duly comply in accordance with the terms agreed upon. Different banking institutions accord them credits with good results.

HLT/2/14/36.

Please note whether name, business and street address correspond with your inquiry.

The foregoing report is furnished, at your request, under your Subscription Contract, in STRICT CONFIDENCE, by DUN & BRADSTREET, Inc. as your agents and employees, for your exclusive use as an aid in determining the advisability of granting credit or insurance, and for no other purpose.



## STEEL BANK NOTES

Date April 9, 1936.

Schedule No.

#19189

Model Wanted

Model to C.T. Blackmore

Title in full Banco Central de la República Argentina

General Description and Style Left to us

Denomination { Words Any one denomination.  
Numerals  
Quantity Unknown.  
Color

Size: { Work Left to us  
Trimmed

Number On

FACE - 2 Steel Printings.

Text

Vignette Left to us.

Border

Stub: { Size  
Style

Drawee: { Titles  
Style

Signatures

Titles

Numbers

FACE TINT

Style: { Cycloid Pattern No.  
Pantograph  
Underlying

Border

Color

BACK - 1 Steel Printing

Text

Border

Color Left to us

BACK TINT

Style: { Cycloid Pattern No.  
Pantograph  
Underlying

Border

Color

GENERAL REMARKS

Note: See Mr. H. R. Treadwell, V.P. for all information pertaining to the preparation of this model.



STEEL Bank Notes.

Date April 9, 1936.

Schedule No. #19190

Model Wanted

Model to C.T. Blackmore

Title in full Banco Central de la República Argentina

General Description and Style Left to us

Denomination { Words Any one denomination  
Numerals  
Quantity Unknown.  
Color

Size { Work Left to us.  
Trimmed

Number On

FACE - 2 Steel Printings.

Text

Vignette Left to us.

Border

Stub: { Size  
Style

Drawee: { Titles  
Style

Signatures

Titles

Numbers

FACE TINT

Style: { Cycloid Pattern No.  
Pantograph  
Underlying

Border

Color

BACK - 1 Steel Printing.

Text

Border

Color Left to us.

BACK TINT

Style: { Cycloid Pattern No.  
Pantograph  
Underlying

Border

Color

GENERAL REMARKS

Note: See Mr. H. R. Treadwell, V.P. for all information pertaining  
to the preparation of this model.



C.P.R.  
DEC 30 1937

Buenos Aires, May 15th., 1936

extract from - T.A. Owen's letter to H.R.T. ....copy filed in #570 Banco de la  
Rep. O. del Uruguay

The Banco Central have not got much forwarder with the  
matter of their new note issue. Mr. Meynell wrote Mr. Schomp on this  
a few days ago.



## Currency and Banking

During the past few years the dual and inelastic features of the Argentine currency system described in BULLETIN No. 8, dated November 27, 1932, have been eliminated and in March 1935 six laws were enacted by which the entire monetary and banking system of the country was considerably modified. Inelasticity of the currency was eliminated in 1933 when the Conversion Office, which from 1896 until recently was the sole note-issuing body, was authorized to rediscount commercial paper offered by the Banco de la Nacion. The Enabling Act of the 500,000,000 peso Patriotic Loan of 1932 authorized the Caja to discount bonds of this Loan at 85 per cent of their value. Since the Caja was a note-issuing institution and did not accept deposits, the proceeds of commercial paper and bond discounts were withdrawn from the Conversion Office in the form of notes.

The duality of the currency system was abolished by a decree of November 28, 1933, by which the practice of quoting foreign currencies in terms of paper pesos only was adopted.

Under the March 1935 legislation the Central Bank of the Argentine Republic was created, a commercial bank law was enacted for the first time, an institution to liquidate frozen assets of the banks was established, the organic laws of the two official banks, the Bank of the Argentine Nation and the National Mortgage Bank, were amended, and measures for the inauguration of the entire system were authorized in an organization law.<sup>31</sup>

### CENTRAL BANK

The Central Bank of the Argentine Republic was created by Law No. 12,155 of March 28, 1935. In accordance with article 3 of the Law, the objects of the Bank shall be:

1. To concentrate sufficient reserves to moderate the consequences of fluctuations in exports and investments of foreign capital on currency, credit, and commercial activity, in order to maintain the value of the currency
2. To regulate the volume of credit and the means of payment, adapting them to the real volume of trade

<sup>31</sup> For summary of these laws and text of the Central Bank Law, the Banking Law, and the Law of Organization, see Federal Reserve Bulletin, Federal Reserve Board, Washington, D. C., July 1935, pp. 449-458.

*From Bulletin No. 86. - June 1st 1936 of the  
Institute of International Finance.  
(90 Trinity Place - New York City)*



3. To promote the liquidity and sound functioning of bank credit; and to apply the provisions of the banking law for the inspection, examination, and regulation of banks
4. To act as financial agent and counselor of the Government in foreign or internal credit operations and in the issue and service of public loans.

The capital of the bank is fixed at 30,000,000 paper pesos, divided into 30,000 shares with a par value of 1,000 pesos each. Upon the organization of the Bank 10,000,000 pesos were subscribed by the National Government and the domestic and foreign banks in the country with a subscribed capital of not less than 1,000,000 pesos each were required to subscribe a total of 10,000,000 pesos. The remaining 10,000,000 pesos were reserved for subscription by banks which may subsequently be established and for existing banks which may subsequently increase their subscribed capital to 1,000,000 pesos.

The Bank is governed by a Board of Directors consisting of a president, a vice-president, and twelve directors. The president and vice-president are appointed by the President of the Republic, in agreement with the Senate, from a panel of three nominees for each office submitted by the shareholding banks. Of the twelve directors, one is appointed by the President of the Republic; one by the Bank of the Argentine Nation; one by the Bank of the Province of Buenos Aires and other provincial or mixed banks which hold shares in the Central Bank; three by the domestic banks; two by foreign banks; and four by the entire group of shareholding banks. The president and vice-president are appointed for terms of seven years and may be reappointed, while directors are elected for terms of three years and, with the exception of representatives of the foreign banks, may be reelected. Directors elected by foreign banks may be reelected after an intervening term.

The operations of the Bank consist of:

1. The issuance of notes: With the exception of notes of denominations of 5 pesos or less, which may be issued only by the National Treasury, the Central Bank of Argentina is the sole note-issuing authority. (The Treasury has the exclusive right to issue subsidiary currency, including notes of 5 pesos or less and nickel and copper coins, in an amount up to 20 pesos per capita. The placing of such subsidiary currency in circulation shall be carried out at the request and through the intermediary of the Central Bank.) The Bank is required to maintain a reserve in gold, foreign currency, or exchange equivalent to 25 per cent of its notes in circulation and demand liabilities. However, the total of foreign exchange and foreign currency held by the bank may not exceed 20 per cent of the reserves, and not more



than 10 per cent of reserves may consist of either foreign exchange or foreign currency.

2. Rediscounting: The Bank may rediscount for other banks (shareholders and nonshareholders) or buy documents arising out of trade in merchandise, or production, processing, or sale of agricultural, livestock, or industrial products. Documents arising out of merchandise trade shall mature in not more than 90 days and other documents in not more than 180 days. All documents rediscounted or purchased shall bear at least two good names, one of which must be a bank.
3. Granting advances: The Bank may grant advances to shareholding banks for periods not exceeding 90 days. Such advances must be secured by documents mentioned in (2) above or by National Government securities. The amount of such advances may not exceed 80 per cent of the face value of trade documents or 80 per cent of the stock-exchange quotation of National Government securities.
4. The making of advances against gold up to 95 per cent of its value.
5. The purchase and sale of gold, foreign exchange, and foreign currency.
6. Acting as agent or correspondent for other central banks and the Bank for International Settlements.
7. Accepting deposits on current account without interest.
8. Administering the clearing system throughout the country.

The Bank may not

1. Grant loans to the National Government directly or indirectly, except that it may (a) buy Government securities up to an amount not in excess of its capital and surplus plus a certain amount as provided in the Organization Law; and (b) make temporary advances up to 10 per cent of the average of the Government's cash collections during the preceding three years. Loans under the latter provision must be repaid within 12 months and if any loan is unpaid after that date, the power of the Bank to grant such loans is not exercisable until the loan is paid.
2. Grant loans to provinces or municipalities or other political subdivisions.
3. Make unsecured advances or permit overdrafts except in case of reciprocal credit arrangements with other central banks.
4. Allow renewal or substitution of documents discounted or held as collateral except upon authorization of the Board of Directors and then only one such renewal may be permitted for a period not in excess of 90 days.

Upon the organization of the Central Bank it took over all of the assets and liabilities of the Conversion Office except notes of five pesos or less and coins. The assets and liabilities of the Conversion Office which were transferred to the Central Bank upon the opening of the latter on May 31, 1935, are shown in table 8.



Table 8. *Assets and Liabilities of the Conversion Office*<sup>32</sup>  
(in paper pesos)

<i>Assets</i>		<i>Liabilities</i>	
Gold .....	561,006,035	Coins .....	37,649,156
Patriotic Loan Bonds..	145,291,180	Small notes .....	174,134,503
Rediscount .....	216,404,765	Large notes .....	1,003,936,580
Claim against Govern- ment for fiduciary issue* .....	293,018,259		
Total .....	1,215,720,239		1,215,720,239

\* This claim represents the amount of fiduciary currency in circulation upon the establishment of the Conversion Office, liability for which was assumed by the latter.

The Central Bank was relieved of the liability for the coins, against which a 100 per cent gold reserve was formerly held, and the small notes, which were assumed by the Government.<sup>33</sup> The amount of small notes was deducted from the claim against the Government and a non-interest-bearing bond for the balance, or 118,883,756 pesos, was issued by the Government to the Bank.<sup>34</sup> Until this obligation to the Bank has been extinguished, half of all issues of subsidiary currency is to be turned over to the Bank and the outstanding balance of the noninterest-bearing bond reduced by an equal amount.<sup>35</sup> The balance of such new issues will be delivered to the Treasury.

The gold holdings of the Conversion Office were revalued at the rate of 0.2929 grams of fine gold per paper peso as contrasted with the former gold equivalent of 0.6397 grams fine gold for a paper peso.<sup>36</sup> The gold content of the peso has not been redefined but the above revaluation represents a devaluation of 54.213 per cent. On the basis of the rate at which the gold was revalued, the dollar equivalent of the paper peso was reduced from 71.962 cents to 32.949 cents. The Central Bank Law provides that obligations stated in gold and which have been paid in paper pesos at the rate of 2.27 paper pesos per gold peso will continue to be paid at that rate.

As a result of the revaluation, the total value of the gold was increased to 1,224,417,646 paper pesos, an increase of 663,411,611 pesos.<sup>37</sup>

<sup>32</sup> *Memoria Anual*, primer ejercicio, 1935. Banco Central de la Republica Argentina, pp. 6-7.

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*

<sup>35</sup> Article 36 of the Central Bank Law (Law No. 12, 155).

<sup>36</sup> Article 6 of the Decree of May 18, 1935. For text of decree see *Review of River Plate*, *op. cit.*, June 7, 1935, pp. 11-19.

<sup>37</sup> *Memoria Anual*, *op. cit.*, p. 8.



This profit, together with the profit of 37,649,156 pesos obtained by abandoning reserve requirements against coins, or a total of 701,060,767 pesos, accrued to the Government.<sup>38</sup> Of this amount, 10,000,000 pesos were applied to the Government's subscription to the capital of the Central Bank, 10,000,000 pesos were used as capital of the Institute for the Liquidation of Bank Investments, and the balance to constitute the reserve fund of the latter institution.

The 681,060,767 pesos credited to reserve fund of the Institute were utilized as follows.<sup>39</sup>

	Pesos
For purchase of rediscounted commercial paper transferred to the Central Bank by the Conversion Office .....	178,408,974
Payment to the new Banco Español del Rio de la Plata in connection with the reorganization of banks .....	170,000,000
Repayment of direct debt of Government to Banco de la Nacion ...	173,440,345
Repayment of Treasury Bills .....	124,079,667
Government deposit with Central Bank .....	25,040,695
Cash balance of Liquidation Institute .....	10,091,086
Total .....	681,060,767

The statements issued by the Bank up to the present time indicate that its rediscount facilities have not been used by the commercial banks of the country. The principal business thus far has been serving as depositary for the Government and shareholding banks and dealing in Government bonds and treasury bills. In fact, its earning assets consist almost entirely of these securities. The opening balance sheet and the position of the Central Bank as of several recent dates are shown in table 9.

Table 9. *Central Bank Position*<sup>40</sup>  
(in thousands of pesos)

	May 31, 1935	Sept. 30, 1935	Dec. 31, 1935	Mar. 31, 1936
<i>Assets</i>				
Gold at home .....	1,224,418	1,224,418	1,224,418	1,224,418
Gold and exchange abroad .....	122,556	111,280	129,274	121,148
Treasury bonds .....	150,000	150,000	221,350	400,000
Treasury bills .....	.....	10,127	14,124	14,533
Guarantee bonds .....	118,884	118,884	118,884	118,884
Subsidiary currency .....	11,008	18,999	15,653	14,604
Other assets .....	10,000	10,553	6,368	9,974
Total assets .....	1,636,866	1,644,261	1,730,071	1,903,561

<sup>38</sup> *Ibid.*

<sup>39</sup> *Ibid.*, p. 10.

<sup>40</sup> *Balance Sheets of the Banco Central de la Republica Argentina.*



<i>Liabilities</i>	<i>May 31, 1935</i>	<i>Sept. 30, 1935</i>	<i>Dec. 31, 1935</i>	<i>Mar. 31, 1936</i>
Notes .....	964,424	932,199	981,755	998,145
Government deposits .....	147,926	145,808	219,186	191,252
Bank deposits .....	329,033	241,094	482,399	446,848
Other deposits .....	175,483	109,891	5,704	9,462
Other liabilities .....	20,000	215,269	41,027	257,854
<b>Total liabilities .....</b>	<b>1,636,866</b>	<b>1,644,261</b>	<b>1,730,071</b>	<b>1,903,561</b>
Ratio of gold and exchange to notes .....	139.7%	143.3%	137.9%	134.8%
Ratio of gold and exchange to notes and deposits .....	75.7%	83.3%	80.1%	81.7%

#### INSTITUTE FOR THE LIQUIDATION OF BANK INVESTMENTS

The Institute for the Liquidation of Bank Investments was created by Law No. 12,157 of March 28, 1935, to acquire and gradually liquidate the frozen assets of the commercial banks.<sup>41</sup> The Institute was empowered to pay for these assets either in cash or in bonds issued by itself. These bonds are not discountable by the Central Bank.

In December 1935 the commercial banking business of four private banks, namely, the Banco Español del Rio de la Plata, Banco El Hogar Argentino, Banco Argentino Uruguayo, and Ernesto Tornquist & Cia., Ltda., was merged into one new bank, the Banco Español del Rio de la Plata, Ltda.<sup>42</sup> The entire deposits of the four banks aggregating 364,000,000 pesos and an equivalent amount of assets, together with the banks' liabilities to the Banco de la Nacion and the security therefor, were transferred to the Liquidation Institute. These deposits, together with an additional 20,000,000 pesos deposited by the Liquidation Institute were transferred to the newly organized bank. The assets transferred to the new bank by the Liquidation Institute consisted of 194,000,000 pesos of the most liquid assets received by it from the four banks and 190,000,000 pesos in cash.<sup>43</sup>

#### BANKING

Another part of the financial reform legislation was the Banking Law of March 28, 1935.<sup>44</sup> This was the first such law in the history of the

<sup>41</sup> For text of the bill as introduced, see *Review of the River Plate*, January 18, 1935, pp. 63-64.

<sup>42</sup> *Monthly Review*, Bank of London and South America, Limited, London, February 1936, p. 58.

<sup>43</sup> *Ibid.*

<sup>44</sup> For text see *Federal Reserve Bulletin*, *op. cit.*, July 1935, pp. 454-456.



country. It provides, among other things, that all domestic banks and branches of foreign banks established in Argentina shall maintain within the country a reserve equivalent to 16 per cent of their demand deposits and 8 per cent of their time deposits. Banks with a capital of not less than 1,000,000 pesos are required to deposit with the Central Bank at least two thirds of their reserves and the balance shall consist of notes or coin. Banks are not permitted to hold more real estate than is required for the bank's premises, except that which is acquired in payment of debt, in which case the real estate must be sold within four years. Banks may not hold more than 20 per cent of the corporate shares of any one issuer and the total holdings of corporate shares may not exceed 10 per cent of the bank's capital and 25 per cent of its surplus. Banks may not participate directly in any commercial, agricultural, industrial, or other enterprise. The banks are subject to periodical inspection by the Central Bank. Commercial banks which also carry on a mortgage business are required to establish a separate mortgage section, assign to the latter a definite amount of capital, and to finance the operations of the mortgage section entirely with the capital and surplus of that section and proceeds from the sale of bonds.

The execution of the various banking and currency measures was carried out by an Organization Committee, as provided for by the Organization Law, also passed on March 28, 1935. This Law governed the details of the establishment of the Central Bank, of the exchange of the notes of the Conversion Office for those of the Central Bank, of the floating debt payments, of the establishment of the Institute for the Liquidation of Bank Investments, and of the transfer of foreign-exchange operations to the Central Bank.

#### EXCHANGE

Foreign-exchange regulations were instituted by a law of October 10, 1931, details of which were discussed in BULLETIN No. 62 of the Institute of International Finance, dated April 29, 1933. Due to restrictions under this law there accumulated in Argentina large amounts of peso deposits belonging to foreigners which could not be transferred abroad.<sup>45</sup> In 1933 these balances were funded into long term obligations of the Argentine Government and, in order to prevent the further accumulation of blocked peso balances, the exchange regulations were consider-

<sup>45</sup> See BULLETIN No. 68 of the Institute of International Finance, dated March 29, 1934.



ably modified by decrees of November 1933.<sup>46</sup> These regulations, as subsequently modified, are still in force.

Under the existing regulations the Exchange Control Commission, which in December 1935 was placed under the joint jurisdiction of the Ministry of Finance and the Central Bank, is in control of transactions in foreign exchange. All exchange derived from the sale abroad of products "regularly exported" must be sold to a bank authorized by the Exchange Control Commission to deal in exchange for the account of the Treasury at a fixed price. This exchange is classified as "official exchange." Holders of all other exchange, including that derived from the sale of products "not regularly exported," may dispose of their bills without intervention by the authorities and such exchange is classified as free exchange. It is reported, however, that the Treasury occasionally sells exchange in the free market.

Out of the official exchange acquired by the Treasury there is reserved an amount sufficient to pay service charges on the external debt of the nation, provinces, and municipalities.<sup>47</sup> The balance is allocated in accordance with a system of "advance exchange permits," instituted in November 1933, for imports, financial services, and remittances by tourists and immigrants.<sup>48</sup> These "advance exchange permits" are granted by the Exchange Control Commission in accordance with the Government's policy of favoring imports from countries which give preferential treatment to Argentine goods.<sup>49</sup> Importers who wish to acquire official exchange must apply for a permit prior to placing orders abroad. Holders of advance permits acquire exchange from the exchange control authorities at a price fixed by the Central Bank. The official selling rate has been 2 to 3 pesos per pound above the official buying rate. Importers and others who do not possess such permits must acquire free exchange. About 95 per cent of the exchange derived from exports is sold to the Control Commission at the official rate and from 75 per cent to 80 per cent of imports are paid for with official exchange.<sup>50</sup>

A decree of March 21, 1935, provided that goods imported after April 22, 1935, without advance exchange permits shall be subject to a surcharge of 20 per cent.<sup>51</sup> This charge is payable in foreign currencies and is imposed on goods imported without permit in the form of a tax

<sup>46</sup> See BULLETIN No. 68 of the Institute of International Finance, dated March 29, 1934.

<sup>47</sup> *Economic Conditions in the Argentine Republic*, op. cit., March 1935, p. 42.

<sup>48</sup> *Ibid.*, p. 43.

<sup>49</sup> *Revista Economica*, Banco de la Nacion Argentina, Nos. 1-4, 1934, pp. 12-13.

<sup>50</sup> National Foreign Trade Council, op. cit., Release No. 32.

<sup>51</sup> *Ibid.*



sufficient to increase the differential between the free exchange rate and the official selling rate to 20 per cent above the latter rate.

From January 2, 1934, until January 2, 1936, holders of advance permits were permitted to bid for official exchange, the available amount of which was auctioned daily to the highest bidders.<sup>52</sup> On January 2, 1936, the system of auctioning exchange was abandoned and since that time exchange has been sold to permit holders at rates fixed by the Central Bank.

Upon the establishment of exchange restrictions in October 1931, the peso was linked to the dollar at the rate of 1.71 gold pesos per United States dollar<sup>53</sup> (equivalent to 25.73 cents per paper peso). On April 5, 1933, the French franc was adopted as the basis of quotations at a rate of 14.84 francs per gold peso, and on November 28, 1933, the rate was reduced by 20 per cent which in effect was a reduction of 20 per cent in the official value of the peso.<sup>54</sup> On December 13, 1933, the paper peso was substituted for the gold peso in exchange quotations and the rate fixed at 18.36 paper pesos per 100 francs, the equivalent of 34.09 cents United States per paper peso on the basis of the average dollar rate for the French franc in November 1933.<sup>55</sup> On February 20, 1934, the pound sterling was adopted as the basis of quotations and the rate fixed at 15 paper pesos per pound<sup>56</sup> at which it has remained.

Under this system the official selling rate was maintained at between 25½ and 26 cents United States currency per paper peso from November 1931 to April 1933. Following the depreciation of the dollar which began in April 1933 the peso appreciated, averaging 40.49 cents per peso in November 1933. Since the *de facto* devaluation of 20 per cent on November 28, 1933, the official selling rate has fluctuated between 33 and 34 cents United States currency.<sup>57</sup>

Through its operations in the exchange market the Argentine Government derives considerable profits, which are transferred to an Exchange Profits Fund. The Government uses part of the profits to cover exchange losses on its external debt-service payments caused by the depreciation of the peso, and to pay the losses and expenses of the Grain Board, the Milk Board, the Dairy Board, the Cattle Board, and the

<sup>52</sup> *Cabled Reports Circular*, *op. cit.*, January 18, 1936, p. 15; *Economic Conditions in the Argentine Republic*, *op. cit.*, March 1935, p. 43.

<sup>53</sup> *Economic Conditions in the Argentine Republic*, *op. cit.*, March 1935, p. 44.

<sup>54</sup> *Ibid.*, p. 45.

<sup>55</sup> *Ibid.*

<sup>56</sup> *Ibid.*

<sup>57</sup> Federal Reserve Bulletins, *op. cit.*, various.



Cotton Board. The balance accrues to the Foreign Currencies Fund, which functions as an exchange equalization fund. On December 31, 1935, this fund held, exclusive of foreign securities, the equivalent of about 177,000,000 pesos in gold and sterling exchange. The total profits derived by the Government up to August 15, 1935, amounted to 197,800,000 pesos, which were distributed as shown in table 10. Complete details for later dates are not available.

Table 10. *Distribution of Exchange Profits*<sup>68</sup>  
(in thousands of pesos)

Government, for exchange losses on public debt services .....	69,500
Grain Regulating Board .....	9,100
Dairy Board .....	3,100
Cattle Board .....	3,000
Cotton Board .....	300
Foreign Currencies Fund .....	112,800
<b>Total .....</b>	<b>197,800</b>

## Government Finance

### BUDGET

The revenue and expenditure accounts of the Argentine Government may be classified as current and capital. Current revenues are divided into general, special, and social-service revenues. General revenues consist of income from taxation and other sources of a recurrent nature; special revenue consists of revenue of an extraordinary nature, and social service revenue of income specifically allocated to social welfare. Current expenditures are classified as general administrative, social welfare, and special. General administrative expenditures are paid out of general revenues and social welfare, and special expenditures out of the corresponding revenues. Capital accounts comprise expenditures met out of the proceeds of loans which are specially authorized and allocated to special purposes. These expenditures may not exceed the specially authorized loans. Loans obtained for meeting deficits in other accounts are not included among revenues.

During each of the years from 1929 to 1934, inclusive, current expenditures exceeded the corresponding revenue collections and the total deficit for the period amounted to 414,500,000 pesos. These deficits were

<sup>68</sup> Republic of Argentina, special review, *The Economist*, London, February 8, 1936, p. 10.



not carried forward to succeeding budgets but were covered by increasing the floating debt. However, in 1935 revenues exceeded expenditures by 20,000,000 pesos which were used to reduce the floating debt. Specially authorized loans for capital expenditures, including public works, armaments, and pension-fund contributions amounted from 1929 to 1935 to 967,100,000 pesos, of which 752,000,000 pesos were expended on public works, including the construction of railways, highways, sanitary works, public buildings, and port development.

Table 11. *Revenues and Expenditures*<sup>60</sup>  
(in millions of pesos)

	Current Revenues	Current Expendi- tures	Current Deficit (-) or Surplus (+)	Specially Authorized Loans
1929 .....	796.2	844.1	— 47.9	188.3
1930 .....	691.5	906.7	— 215.2	184.7
1931 .....	724.8	830.6	— 105.8	92.0
1932 .....	755.3	780.9	— 25.6	63.6
1933 .....	758.2	777.7	— 19.5	108.7
1934 .....	765.4	765.9	— .5	172.0
1935* .....	877.3	857.3	+ 20.0	157.8

\* Provisional.

It should be noted that the above current expenditures include amortization payments on the public debt and that therefore the total debt does not increase by the amount of the deficit. Furthermore, there are other financial operations of the Government which are not included in the budget. These operations include the disposition of the profits from the exchange control with the exception of small amounts in 1934 and 1935 which are included among special revenues; income and expenditures of government-owned railways, the Grain Board, the Milk Board, and the National Highways Commission. The deficits, if any, of the Grain Board and the Milk Board are met out of the profits from exchange control operations, while receipts from the gasoline tax are allocated to the Highways Commission which was created in 1932.<sup>60</sup> Expenditures by this Commission are limited by law to its receipts. The state railways are autonomous and administer their finances independently of the national budget. The surplus, if any, of the railways is applied by the latter toward maintenance, but deficits, if any, are paid by the Government.<sup>61</sup> The amounts obtained by the Govern-

<sup>60</sup> *Ibid.*; Official Information received from the Argentine Government.

<sup>61</sup> *Ibid.*

<sup>62</sup> Official information, *op. cit.*



ment in 1933 and 1934 from the frozen credit liquidation arrangements and from the gold revaluation profits in 1935 likewise are not included. It is reported that during the current year the accounts of all autonomous bodies will be included in the national budget in order to obtain more effective control over expenditures.

Revenues of the Government consist largely of customs duties and excise taxes. Income from these sources in 1935 amounted to 438,000,000 pesos, or 50 per cent of total revenues, exclusive of proceeds from loans for capital purposes. Other important sources of revenue are the land, sales, stamp, income, and transactions taxes. The income tax was first levied in 1932 and receipts from this source increased from 53,400,000 pesos in 1932 to 73,000,000 pesos in 1935.

With the exception of administrative expenses, debt-service charges are the largest single item among expenditures, amounting in 1935 to 200,800,000 pesos or 23.3 per cent of total current expenditures. The amount shown in the budget for this purpose does not include exchange losses on the external debt service due to the depreciation of the peso. These losses have, since the institution of foreign-exchange control, been paid out of the profits from exchange control operations of the Government and are included among special expenditures.

Details of revenues and expenditures for the past three years are shown in table 12.

Table 12. *Revenues and Expenditures*<sup>62</sup>  
(in millions of pesos)

REVENUES	1933	Per Cent of Total	1934	Per Cent of Total	1935 <sup>a</sup>	Per Cent of Total
Current						
General						
Customs and port duties	305.0	35.2	297.9	31.8	322.8	31.2
Internal taxes .....	120.9	13.9	130.4	13.9	115.0	11.1
Land, license, and stamp tax .....	75.3	8.7	86.9	9.3	87.1	8.4
Income tax .....	65.1	7.5	66.5	7.1	73.0	7.1
Sales tax .....	19.9	2.3	18.5	2.0	25.0	2.4
Posts and telegraphs <sup>b</sup> ..	38.1	4.4	38.8	4.1	40.0	3.9
Autonomous bodies <sup>c</sup> ....	13.5	1.6	6.3	.7	9.3	.9
Financial services <sup>d</sup> ....	33.4	3.9	35.2	3.7	40.0	3.8
Others .....	49.2	5.6	22.8	2.4	92.7	9.0
Total general .....	720.4	83.1	703.3	75.0	804.9	77.8

<sup>62</sup> Official Information, *op. cit.*



	1933	Per Cent of Total	1934	Per Cent of Total	1935 <sup>a</sup>	Per Cent of Total
Social welfare .....	23.3	2.7	25.2 <sup>b</sup>	2.8	26.4	2.6
Special .....	14.5	1.7	36.9	3.9	46.0 <sup>c</sup>	4.4
Total current .....	758.2	87.5	765.4	81.7	877.3	84.8
Sale of bonds .....	108.7	12.5	172.0	18.3	157.8	15.2
Total revenues ....	866.9	100.0	937.4	100.0	1,035.1	100.0

<sup>a</sup> Provisional.

<sup>b</sup> Net after deducting reimbursements of 2,600,000 pesos to these institutions in 1933 and 4,000,000 in 1934.

<sup>c</sup> Bank of the Nation and State Oil Fields.

<sup>d</sup> Receipts in connection with debts of various bodies assumed by the National Government.

<sup>e</sup> Includes appropriations of 24,800,000 pesos in 1934 and 27,500,000 pesos in 1935 from the Exchange Profits Fund.

EXPENDITURES	1933	Per Cent of Total	1934	Per Cent of Total	1935	Per Cent of Total
Current						
General						
General Administration.	426.6	48.1	435.0	46.4	436.5	43.0
Public debt .....	286.4	32.3	231.0	24.6	200.8	19.8
Retirement and Pension						
Fund .....	35.3	4.0	38.3	4.1	59.1	5.8
National School Board ..	...	...	...	...	107.0	10.5
Total general .....	748.3	84.4	704.3	75.1	803.4	79.1
Social welfare .....	23.1	2.6	24.7	2.7	26.4	2.6
Special <sup>a</sup> .....	6.3	.8	36.9	3.9	27.5	2.7
Total current .....	777.7	87.8	765.9	81.7	857.3	84.4
Bond proceeds						
Public works .....	68.4	7.7	119.0	12.6	120.0	11.9
Armaments .....	8.9	1.0	9.0	1.0	25.0	2.4
Pension Fund Contribu-						
tion .....	13.1	1.5	13.3	1.4	11.0	1.1
Others .....	18.3	2.0	30.7	3.3	1.8	.2
Total bond proceeds..	108.7	12.2	172.0	18.3	157.8	15.6
Total expenditures ..	886.4	100.0	937.9	100.0	1,015.1	100.0

<sup>a</sup> Includes 23,800,000 pesos in 1934 and 25,500,000 pesos in 1935 for exchange losses on external debt services.

On December 24, 1934, the Argentine Congress passed the Tax Unification Law.<sup>63</sup> This law provides for the imposition and collection by the National Government, in those provinces which consent, of all excise

<sup>63</sup> *Ibid.*



and certain other taxes formerly levied by the nation, the provinces, and, in some cases, the municipalities. All provinces have adhered to the plan. Receipts from the taxes are allocated to the nation and the provinces, partly on the basis of a schedule contained in the law, partly on the basis of average collections during the period 1931-1933, and partly on a per capita basis. Collections are deposited daily with the Bank of the Nation, which distributes the funds among the various interested parties. The law (No. 12,139) remains in effect for a period of twenty years.

The law also provided that in the case of provinces in which the Tax Unification Law results in a decrease in revenues, namely, Mendoza, San Juan, Jujuy, Salta, and Tucumán, the affected provinces "shall have the right to claim that the National Government shall take charge of, until its expiration, provincial debt at present in existence, either consolidated or such as shall be consolidated within three years, to a nominal value whose interest and sinking fund service may be equivalent to the amounts that the provinces shall cease to receive . . ."<sup>64</sup> It is estimated that the provincial debt which the National Government may assume under this provision of the law cannot exceed an amount on which the total service charges will amount to more than 16,000,000 pesos per annum.

In addition, the National Government is authorized to assume provincial debt, internal or external, provided the province waives its claim against sufficient Tax Unification Law receipts to meet service charges on the debt assumed by the National Government, and provided further that the province forgoes its right to contract new external debt or to convert internal debt into external debt without the consent of the National Government.<sup>65</sup>

#### PUBLIC DEBT

The total direct public debt of the Argentine Republic on December 31, 1935, amounted to 3,652,000,000 pesos as compared with 3,661,532,000 pesos at the end of the previous year.<sup>66</sup>

During the past three years the Argentine Government has carried out several important debt measures which affected both the composition of the debt and the amount of the service charges. In accordance with a

<sup>64</sup> Article 8 of the Tax Unification Law.

<sup>65</sup> Article 9 of the Tax Unification Law.

<sup>66</sup> *Memoria de la Contaduría General de la Nación Correspondiente al año 1934*, p. 170; Official Information, *op. cit.*



decree of November 11, 1933, all internal bonds bearing interest at  $5\frac{1}{2}$  and 6 per cent were refunded into a new "Internal Credit Loan," bearing interest at 5 per cent.<sup>67</sup> This operation resulted in a saving of about 30,000,000 pesos per annum in debt-service charges.<sup>68</sup> The net floating debt, all of which is internal, has been reduced from 1,070,933,000 pesos at the end of 1932 to 78,500,000 pesos at the end of 1935. Most of this reduction was effected in 1935 by the funding of 400,000,000 pesos of floating debt into internal consolidated debt and by the application of about 297,500,000 pesos of the gold revaluation profit to debt redemption.<sup>69</sup> Due partly to the conversion of floating debt into internal consolidated debt the latter increased from 1,811,808,000 pesos at the end of 1934 to 2,288,200,000 pesos at the end of 1935.

The external floating debt, which at the end of 1930 comprised \$50,000,000 and £5,000,000, has been liquidated in full by means of ordinary and extraordinary amortization payments and by conversions. The floating debt due in sterling was paid in full in cash and, in March 1934, the outstanding balance of \$17,430,750 in short term dollar debt was converted into a serial issue due semiannually from April 1, 1934, to October 1, 1938,<sup>70</sup> of which \$11,620,500 were outstanding on December 31, 1935. Since May 1934 the Argentine Government has refunded all of its 5 per cent sterling debt into  $4\frac{1}{2}$  per cent bonds. The annual savings of interest and sinking fund payments resulting from the refunding of the sterling debt amount to about £1,435,000.<sup>71</sup>

Full details on debt service are not available but the savings from both internal and external conversions are about 55,000,000 pesos per annum or 17 per cent of total debt-service charges in 1933.

The movement of the public debt is shown in table 13.

<sup>67</sup> *Memoria del Consejo Ejecutivo, Corporacion de Tenedores de Titulos y Acciones*, Buenos Aires, June 30, 1934, p. 7.

<sup>68</sup> *Ibid.*

<sup>69</sup> *Review of the River Plate*, *op. cit.*, June 7, 1935, p. 24.

<sup>70</sup> *Economic Conditions in the Argentine Republic*, *op. cit.*, March 1935, p. 37.

<sup>71</sup> Republic of Argentina, special review, *op. cit.*, p. 12.



Table 13. *Public Debt*<sup>72</sup>  
(in thousands of pesos)

<i>Consolidated</i>	<i>Dec. 31, 1932</i>	<i>Dec. 31, 1933</i>	<i>Dec. 31, 1934</i>	<i>Dec. 31, 1935</i>
External .....	942,484	1,217,792	1,234,309	1,474,200
Internal .....	1,811,139	1,823,122	1,811,808	2,288,200
Total .....	2,753,623	3,040,914	3,046,117	3,762,400
Held by Treasury .....	362,974	381,470	274,143	188,900
Net consolidated .....	2,390,649	2,659,444	2,771,974	3,573,500
<i>Floating</i>				
External .....	63,058	60,360	40,152	.....
Internal .....	1,123,806	1,082,961	1,101,814	250,700
Total .....	1,186,864	1,143,321	1,141,966	250,700
Treasury balance .....	115,931	240,634	252,408	172,200
Net floating .....	1,070,933	902,687	889,558	78,500
Net debt .....	3,461,582	3,562,131	3,661,532	3,652,000

On December 31, 1935, the external funded debt comprised \$272,-136,622, £39,875,126, 54,651,000 French francs, 102,982,750 pesetas, 100,191,700 Swiss francs, and 31,114,400 lire. In the official sources, from which the figures in table 13 are taken, the external debts have been converted into pesos at the former parities of exchange. The dollar issues are shown in table 14.

Table 14. *Dollar Issues*<sup>73</sup>

<i>Issue</i>	<i>Originally Issued</i>	<i>Outstanding Dec. 31, 1935</i>
6's of 1923-57 .....	\$ 40,000,000	\$ 31,296,500
6's of 1924-58 .....	30,000,000	23,922,500
6's of 1925-59 (June) .....	45,000,000	36,299,000
6's of 1925-59 (October) .....	29,700,000	24,437,500
6's of 1926-60 (May) .....	20,000,000	16,526,000
6's of 1926-60 (October) .....	16,900,000	14,217,500
6's of 1927-61 (February) .....	27,000,000	22,920,000
6's of 1927-61 (May) .....	21,200,000	17,921,500
6's of 1927-60 .....	40,000,000	34,461,000
5½'s of 1928-62 .....	20,000,000	17,121,000
2 per cent notes of 1933-38.....	23,253,921	21,393,622
3-4 per cent notes of 1934-38.....	17,430,750	11,620,500
Total .....	\$330,484,671	\$272,136,622

<sup>72</sup> *Memoria de la Contaduría General de la Nación, op. cit.*, 1934, p. 170; Official Information, *op. cit.*

<sup>73</sup> Official Information, *op. cit.*



C. P. R.  
JUL -7 1936

from LENG ROBERTS & CO. weekly news bulletin .....

June 18, 1936 ....

DR. ENRIQUE URIBURU.

Buenos Aires: Dr. Enrique Uriburu died suddenly yesterday as a result of a heart attack. The deceased was 59 years of age and had been Chairman of the Banco de la Nación Argentina (1930) and National Minister of Finance (1931) under the Provincial Government.



AMERICAN BANK NOTE COMPANY  
HUNTS POINT, N. Y.

G.W. T.C.  
OCT - 1 1936

C.T.B.  
JUL 17 1936

July 16, 1936

ENGRAVING DIVISION  
OFFICE OF THE VICE PRESIDENT

Mr. Charles T. Blackmore  
Manager Foreign Department

ARGENTINA

Before I left Buenos Aires in talking with Messrs. Reynell and Owen,<sup>M</sup> it was thought advisable that suggestions be put in their hands of bank note designs that might be acceptable to the Bank and, at the same time, embody our ideas as to what we would recommend for the Bank to secure for their new contemplated note issue.

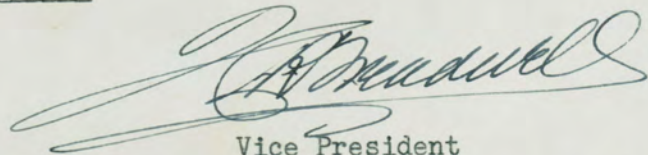
I agreed to make up two models of the \$10. and \$100. notes at our convenience and when ready send to Mr. Owen. They are to hold the models there and when the opportunity presents itself, use them for the basis of further conversation.

I, therefore, send herewith the models referred to. I have not shown these models to Mr. Schomp but am sending them direct to you as I realize you will talk the matter over with him.

Models shown  
to Mr. Schomp

You will notice that they have been designed with the idea of using two (2) steel printings on the Face and one (1) steel printing on the Back. I believe it is advisable to recommend the use of this method in producing the Notes in view of the possible conditions that might arise.

I also enclose two (2) newspaper clippings enclosed in a letter from Buenos Aires received yesterday which might be of interest to you. These came from a Buenos Aires newspaper printed in English. In the letter, I was also advised that to date the Banks have reported having discovered forty (40) counterfeit Notes of the 50 Peso denomination.

  
Vice President

HRT/LB  
Enclosures #Filed in Counterfeit pkgt.

~~Two enclosures~~

Model schedule Nos. 19189-190



August 5, 1936.

Samuel B. Hale, Ltda., S.A.,  
Emé. Mitre 430,  
Buenos Aires,  
Argentina.

Dear Sirs:-

With reference to your letters of October 22nd, 1925, and  
January 13th, 1926, we would consider it a great favor if you would  
kindly return to us, at your convenience, the following models, etc.:

4 models - face and back - for a <sup>1</sup>5 pesos and a 1000  
pesos Argentine note

1 set of blank forms - sizes of notes

3 proofs, stock vignettes, C-1605, C-1694 and C-1650

Since the engravings, employed in the elaboration of our models,  
can not be used while the models are outstanding, you will appreciate the  
request for their return.

Thanking you for your kind attention, we remain,

Yours very truly,

Manager Foreign Department

JL/IW

c.c. to John Lane



from: ROBERTS MEYNELL & CO weekly news bulletin

Aug.8,1936

ANGLO-ARGENTINE TRADE AGREEMENT (ROCA-RUNCIMAN).

Buenos Aires: News has been received here from London announcing the denunciation by the British Government of the Roca-Runciman Trade Agreement which expires on the 7th November next. In view of the fact that this step was expected, the denunciation has aroused little comment locally. It is understood that negotiations for a new treaty, in its replacement, are still being continued.

*Argentine  
Book Index*



Aug. 13, 1936

"Verograph"

extract from - Our letter to HRT..... reg. filing-copy in ~~INVENTIONS -~~  
(Domestic Dept.) ~~Various~~

You will also find attached two additional specimens  
produced by their equipment. The Argentina 50 peso note looks rather  
good, and possesses a clean-cut appearance.



C. F. R.  
SEP 24 1936

REGISTERED MAIL.

27th. August, 1936.

Charles Blackmore, Esq.,  
Manager Foreign Department,  
AMERICAN BANK NOTE COMPANY.  
70, Broad Street - NEW YORK.

Dear Sir:

We beg to acknowledge receipt of your favor of  
5th. inst., and in accordance with your request we take pleasure  
in forwarding you herewith, the following models, etc., the proper-  
ty of your Company:

4 models - face and back - for a 1 peso and 1000 pesos -  
Argentine notes ( in your letter a 5 pesos note is mentioned,  
but we presume that you meant the 1 peso ).

1 set of blank forms - sizes of notes, —

*handed to JH  
9/18/36*

3 proofs, stock vignettes, C-1605, C-1694, and C-1650.

Trusting that these models, etc. will reach you safely  
and awaiting the favor of your acknowledgement,

yours very truly,

Secretary.

President.

*to Plant  
9/23/36 see 614*

OTHER COPY IN  
614  
PACKET



September 23, 1936.

Messrs. S.B.Hale Limitada, S.A.,  
Bmó.Mitre 430,  
Buenos Aires, Argentina.

Dear Sirs:-

We beg to acknowledge receipt of your letter of August 27th, in  
which you return to us, as requested;-

The face and back models prepared by us for the proposed  
1 and 1000 Pesos notes for the Argentine.

1 set of blank forms of bank note sizes and

3 proofs of our stock vignettes, Nos. Cl605 - 1650 - 1694

---

for all of which we thank you.

We regret that in our letter of August 5th we referred to these  
models as of the 5 and 1000 Pesos denominations, whereas we should have said the  
1 and 1000 Pesos denominations.

Yours very truly,

GWTC/IW

Assistant Manager Foreign Department

OTHER COPY IN  
614  
PACKET



AMERICAN BANK NOTE COMPANY  
FOREIGN DEPARTMENT

September 23, 1936.

Order Entered
By <i>[Signature]</i>
No.
Date <i>9/24/36</i>

ORDER DEPARTMENT:

REPUBLICA ARGENTINA  
Model schedules Nos 13605-13606

Please note that the face and back models of the 1 Peso  
and 1000 Pesos notes, prepared on the above schedules, respectively, are  
being returned to the plant herewith for cancellation.

*[Signature]*  
Asst. Manager Foreign Department

GWTC/IW

RECEIVED

SEP 23 1936

J. B. P.

*Sec 8/27/36*



C. P. R.  
SEP 24 1936

AMERICAN BANK NOTE COMPANY

SUBJECT: REPUBLICA ARGENTINA

Model schedules Nos. 13605 and 13606

September 24th, 1936.

Mr. L. V. Brant,  
Asst. Manager Production Department.

We are returning herewith for cancellation, face and back models of the 1 Peso and 1000 Pesos Notes, prepared on the above model schedules. These schedules were cancelled August 3, 1926.

C. ZAHRT

FG



AMERICAN BANK NOTE COMPANY  
HUNTS POINT, N. Y.

*Ack'd*  
G.W.T.C.  
OCT - 1 1936

ENGRAVING DIVISION  
OFFICE OF THE VICE PRESIDENT

C.F.R.  
OCT - 2 1936

October 1, 1936

Mr. G. W. T. Combs  
Assistant Manager  
Foreign Department

BANCO CENTRAL DE LA REPUBLICA, ARGENTINA

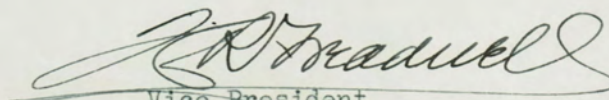
I have carefully read the draft of the letter addressed to Leng, Roberts & Company in regard to the bank note models for the Banco Central de la Republica, Argentina. I believe that it has covered everything very satisfactorily.

I would only like to call attention to the fourth paragraph beginning - "These models have been designed, etc." - would suggest that the following sentence be added:-

"The ideas expressed by the Banco Central de la Republica, Argentina, relative to the production of future printings of these Notes have also been kept in mind."

The reason I suggest this is that there is no question that any dealings that we have with the Bank will be based on the prospects of the Notes ultimately being printed in Buenos Aires. In view of that fact, these Notes were laid out with that in mind.

Return herewith draft of the letter.

  
Vice President

HRT/LB  
Enclosure

**No enclosure for filing**



C-1-1-12  
OCT 12 1936

October 1st, 1936.

Mr. Henry R. Treadwell, Vice President  
Engraving Division  
Bronx

---

Model Schedules 19189-19190  
BANCO CENTRAL DE LA REPUBLICA ARGENTINA

Thank you for your letter of October 1st, returning the draft of letter which Mr. Blackmore wrote up before his departure, for Leng, Roberts & Cía. (Ventas), S.A., covering the models of 10 and 100 Pesos sent us with your letter of July 16th.

As suggested, we have added the sentence you mentioned, when writing the above firm, and thank you for giving us your able assistance.

We duly received and noted the two clippings enclosed with your letter of July 16th to Mr. Blackmore.

---

Asst. Manager Foreign Department

GWTC/IW



C. R.  
Oct - 2 1936

October 1st, 1936.

Messrs. Leng, Roberts & Cía., (Ventas) S.A.,  
Reconquista 314,  
Buenos Aires,  
Argentina.

Dear Sirs:-

BANCO CENTRAL DE LA REPÚBLICA ARGENTINA

When our Vice President, Mr. Henry R. Treadwell, was in Buenos Aires and he discussed the matter of the Argentine bank notes with Mr. E. Meynell and Mr. T.A. Owen, he agreed to make up, at our convenience, one complete set of # models, face and back, for the \$10.00 and \$100.00 notes.

It was decided that when these models were completed they should be sent to you so that when the opportunity presented itself you could use them as the basis of further conversation with the Bank officials relative to their placing their orders with us for the engraving and printing of their notes.

We now take pleasure in sending you herewith the face and back models mentioned above, which we trust will reach you safely and in good condition. These models have been designed in such a way as we believe would make them acceptable to the Bank and, at the same time, they embody the ideas which we recommend to the bank to be used in their new contemplated note issue in order to safeguard the same against counterfeiting.



October 1st, 1936.

The ideas expressed by the Banco Central de la República Argentina, relative to the production of future printings of these notes, have also been kept in mind.

The models have been designed with the idea of using two steel printings on the face and one steel printing on the back. That is to say, for the face of each denomination that part which appears in black on the model will be printed from one steel plate, and the tint, or the coloured part of the note, would be printed from another steel plate, thereby making what we technically term as two steel printings on the face. The whole of the back, for both denominations, would be printed in one color from one steel plate, one for each denomination.

This is the method we especially recommend for the printing of the notes for the Argentine. Mr.Treadwell has explained to you the relative merits and security value of each piece of engraving, such as the vignette, lathe work counters and borders, scroll work, etc. etc. which enter into the make-up of a bank note, but we cannot but take advantage of this opportunity to re-iterate that a portrait vignette, properly engraved on steel by a skilled artist, offers the best security against counterfeiting. The two portrait vignettes shown on the models emphasize this point to a marked degree.

You will, of course, realize that the vignettes shown on the faces and backs of the models, and the wording of the pantograph tints on the faces, are for modeling purposes only. If the Bank placed an order with us they would, of course, choose other subjects and portraits for the vignettes, and the wording of the pantograph tint would naturally read: "Banco Central de la República Argentina."



October 1st,1936.

Please do not hesitate to ask us any questions, or for any information you may wish to have in connection with these models, or regarding bank notes in general. We welcome any inquiries you care to make and we will be only too glad to give you such information as you may desire which will enable you to explain the essentials of a bank note to the Bank officials.

In order to help you understand the various technical terms which we use for the separate parts of engravings which are used in the designing of a bank note, we enclose herewith the face of a <sup>#</sup>"specimen" note on which we have shown the terms we use for each of such parts.

We would appreciate hearing from you as to what comments, if any, the bank officials passed on the models when you have the opportunity of submitting them for their examination.

We believe you will agree with us that it is of paramount importance that we should, at all times, keep our name in the minds of the Bank officials, so that it ultimately becomes a household-word with them, and also to constantly impress upon them the class of work we turn out. We shall do everything within our power to cooperate with you to that end.

Awaiting with interest any information you may be able to send us in connection with the probable outcome of this contemplated issue of notes for the Banco Central de la República Argentina, we are ,

Yours very truly,

By registered mail.

CTB/IW

Copy handed to John Lane.

Manager Foreign Department.

(Drafted by CTB before his  
(departure) (Not on original)



ORIGINAL

file

\$ 800.

CERTIFICATE OF INSURANCE No. F 572187

## FEDERAL INSURANCE COMPANY,

INCORPORATED UNDER THE LAWS OF NEW JERSEY

CHUBB &amp; SON, Managers

No. 1 NEWARK AVENUE  
JERSEY CITY, N. J.

AND

No. 90 JOHN STREET  
NEW YORK, N. Y.

NEW YORK, October 21, 1936

This is to Certify, That on October 1st, 1936

This Company insured under Policy No. 0-15090

for American Bank Note Company

the sum of Eight hundred\*\*

on envelope containing; 4 models

valued at Sum Insured shipped on board of the First Class Mail Registered

at and from New York, N.Y. to Buenos Aires, Argentina direct or otherwise.

and it is hereby understood and agreed, that in the case of loss, such loss is payable to the Order of American Bank Note Company on surrender of this Certificate.

This Certificate represents and takes the place of the Policy, is subject to all the terms thereof, and conveys all the right of the Original Policy-holder (for the purpose of collecting any loss or claims) as fully as if the property were covered by a Special Policy direct to the holder of this Certificate, and free from any liability for unpaid premiums.

Warranted free of capture, seizure, arrest, restraint, or detention, and the consequences thereof or of any attempt thereat and whether as an act of war or by civil authority or by any person or persons whatsoever, lawless or otherwise, piracy excepted, and also free from all consequences of hostilities or war-like operations, whether before or after declaration of war.

Warranted free of loss or damage caused by strikers, locked-out workmen, or persons taking part in labor disturbances, or riots or civil commotions.

In case of loss or damage please follow instructions on the reverse side of this certificate. It is hereby agreed, that any loss or claim under this Certificate shall be paid at the offices of the Company, Exchange Buildings, Liverpool, or at the office of the Company in New York, or at the Agency of the Company at the port or place of destination, or, if the Company is not represented at port or place of destination, at the nearest Agency amongst those specified in the list on back hereof.

Claims to be adjusted according to the usages of Lloyds, but subject to the conditions of the Policy and Contract of Insurance.

NOTICE.—To conform with the Revenue Laws of Great Britain, in order to collect a claim under this Certificate, it must be stamped within ten days after its receipt in the United Kingdom.

Countersigned,

C. C. Seibert

Chubb &amp; Son Managers.

ON DECK.—Merchandise and/or goods shipped on deck are insured.—Free of particular average unless caused by the vessel being stranded, sunk, burnt, on fire, or collision, but including jettison and/or washing overboard, irrespective of percentage. In case of loss or injury to any part of a machine consisting, when complete for sale or use, of several parts, these assurers if liable therefor under the terms of this policy, shall only be liable for the insured value of the part lost or damaged. In case of damage affecting labels, capsules or wrappers, these assurers, if liable therefor under the terms of this policy, shall be liable only for an amount sufficient to pay the cost of new labels, capsules or wrappers, and the cost of reconditioning the goods.

The risks covered by this policy are to include damage to or destruction of the goods hereby insured, resulting from explosion, howsoever or wheresoever occurring, provided same is shown not to have been caused by or attributable to any of the risks excluded by the terms of the "Free of Capture and Seizure" and the "Riots and Civil Commotions" Clauses in this policy.

Notwithstanding any average warranty contained herein, these assurers agree to pay any landing, warehousing, forwarding, or other expenses and/or particular charges for which this policy in the absence of such warranty would be liable. Also to pay the insured value of any package, piece, or unit totally lost in loading, transhipping or discharge.

Where this policy by its terms covers while on docks, wharves, or elsewhere on shore and/or during land transportation, such coverage shall include the risks of collision, derailment, or overturning of the conveyance, fire, cyclones, hurricanes, earthquakes, floods (meaning the rising of navigable waters), and/or collapse or subsidence of docks, and to pay loss or damage caused thereby, even though the insurance be otherwise F. P. A.

Including General Average and Salvage Charges according to United States Law and usage and/or as per Foreign Statement and/or as per York-Antwerp Rules (as

prescribed in whole or in part) if in accordance with the Contract of Affreightment.

This insurance attaches from the moment the goods, being at the risk of the Assured, leave store, warehouse or factory at initial point of shipment, and covers continuously thereafter during the ordinary course of transit until safely deposited in store, warehouse, or factory at final point of destination. On shipments to the River Plate, however, notwithstanding the foregoing, the risk of fire under this policy shall cease upon arrival at any shed (transit or otherwise), store, Custom house, or warehouse; or upon the expiry of 10 days subsequent to landing, whichever may first occur.

This insurance shall not be vitiated by any unintentional error in description of voyage or interest, or by deviation, or by transshipment, or by any interruption of the ordinary course of transit from causes beyond the control of any Assured hereunder. Warranted, however, that prompt notice shall be given this Company of such error, deviation, transshipment, or interruption and additional premium paid if required.

Held covered while on craft to and from the vessel. Each lighter or craft to be considered as if separately insured. The Assured not to be prejudiced by any agreement exempting Lightermen from liability.

The Assured are not to be prejudiced by the presence of the negligence clause and/or latent defect clause in the Bills of Lading and/or Charter party. The seaworthiness of the vessel as between the Assured and the assurers is hereby admitted, and the wrongful act or misconduct of the shipowner or his servants causing a loss is not to defeat the recovery by an innocent assured if the loss in the absence of such wrongful act or misconduct would have been a loss recoverable under the policy.

Should there be an accumulation of interests beyond the limits expressed in this policy by reason of any interruption of transit beyond the control of the Assured, or by reason of any casualty, and/or at a transhipping point and/or on a connecting steamer or conveyance, this policy shall attach for the full amount at risk (but in no event for more than twice the policy limit) provided written notice be given to this Company as soon as known to the Assured.

## Special Conditions

Covering against all risks of loss or damage to the merchandise insured howsoever occurring, irrespective of percentage.

## Marks and Numbers

BCO. Central De  
La Republica  
Argentina  
HS-19189/90



Any loss or damage which may happen to the property insured under this certificate shall be reported as soon as the goods are landed or the loss is known or expected, to the agent of the Insurers located at the port of discharge or disaster (see list below). If there be no such agent at or near such port, such notice shall be given to an accredited representative of the Board of Underwriters of New York, in case of loss or damage, produce this certificate for said agent's or representative's inspection and request him to hold a survey and issue a certificate stating the cause and extent of the loss or damage. If there be no agent of the Insurers at the port of discharge or disaster, nor a representative of the Board of Underwriters of New York, certificate of survey should be obtained from Lloyd's agent at destination.

After the foregoing formalities have been completed with the complete documents (survey report, policy, invoice, bill of lading, letter to carrier and latter's reply) should be sent to the Insurer's agents (named below) to enable them to decide as to the liability of the Insurers.

**IMPORTANT NOTICE**

When cargo is received from the carrier in a damaged condition, in order to save for yourselves or your underwriters, any rights which you may have against the carrier, it is necessary for you to file notice of claim in writing against the carrier before taking delivery of the goods. Claim in writing must be filed with the carrier as soon as the actual loss or damage is known. Filing claim against the carrier will not affect your rights under your insurance policy.

When sending claim papers for collection of any loss under this policy, be sure to attach thereto a copy of your letter to the carrier, also the latter's reply.

AGENCIES OF THE FEDERAL INSURANCE COMPANY, WHERE CLAIMS MAY BE PRESENTED

**UNITED KINGDOM**

BELFAST (Surveys only).....James Robinson & Son, 8 Waring Street  
LONDON (Surveys only).....Hartley, Cooper & Co., Ltd.,  
85 Gracechurch St., London E.C. 3

**EUROPE**

KARACHI.....E. S. Orobia de Castro & Zoon  
Kobe.....Mitsubishi Bunkai Kaisha, Ltd.  
FORBES FORBES, CAMPBELL & CO., LTD., P.O. Box 10  
FOOCHOW.....Redfield & Co., Ltd.  
HONG KONG, CANTON, SWATOW, AMOI.....Battefield & Swire  
HAIFA.....J. V. Delmonro & Son  
PUSAN, CHOSŌN, KOREA.....Holme, Ringer & Co.  
DELHI (Surveys only), Gilanidara, Atrabhinot & Co., Imperial Bank Chas.

**INDIA**

AMSTERDAM

ANTWERP

BRISBANE

CALCUTTA.....Edward Hyde, Avenida Blanca Enchada 340  
SINGAPORE.....Edwards & Sons, 117 Market Street  
PENANG.....Wong Yee Kuan, 117 Market Street  
MALACCA.....Wong Yee Kuan, 117 Market Street  
TALCAHUANA.....Lyron Hnos & Cia Sucos, Sociedad Anonima  
SAN JOSE DE COSTA RICA

**SOUTH AMERICA**

PANAMA.....Egerton Shaw Hunter, P.O. Box 11, Panama City  
SAN FRANCISCO.....Hathorn, King & Seelye, Inc.  
114 Sansome Street  
LIQUIQUE.....Gibbs & Co., 34 Calle San Martin  
IQUIQUE

<p><b>BAARCELONA</b> F. Ferrer Romagosa, Fontanella 9 P. Ferrer Romagosa, Agutierrez c. m. p. H. Willa, Faber &amp; Hubener, Fontanella 9 Willa, Faber &amp; Hubener, Agutierrez c. m. p. H.</p>	<p><b>BREMERLIN</b> Trips-Ufer No. 30/32, W. 10 Trips-Ufer No. 30/32, W. 10</p>	<p><b>BORDEUX</b> Ramel De Rosegnon, Berger &amp; Co. 12 Berger &amp; Co. 12, Postfach 619 Berger &amp; Co. 12, Postfach 619</p>	<p><b>MANGALORE</b> Pietco, Leslie &amp; Co. Ltd. George Town George Town</p>	<p><b>MANILA</b> Warner, Barnes &amp; Co. Ltd. Van Houten, Steffen &amp; Co. 294 Van Houten, Steffen &amp; Co. 294</p>	<p><b>AFRICA</b> Rittner Consolidated, Ltd. Rittner Consolidated, Ltd. Rittner Consolidated, Ltd.</p>
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[illegible]

<p><b>LISBON</b>  <b>MATIMO</b>  <b>MARSELLLES</b>  <b>NAPLES</b>  <b>PORTO</b>  <b>SAO PAULO</b>  <b>VALPARAISO</b></p>	<p><b>AMERICA (East Coast)</b>  <b>BAHIA BLANCA</b>  <b>BUENOS AIRES</b>  <b>CAHIA</b>  <b>CHILE</b>  <b>COLOMBIA</b>  <b>COSTA RICA</b>  <b>CUBA</b>  <b>GUATEMALA</b>  <b>HONDURAS</b>  <b>MEXICO</b>  <b>PARAGUAY</b>  <b>PERU</b>  <b>PUERTO RICO</b>  <b>URUGUAY</b>  <b>VENEZUELA</b></p>	<p><b>EUROPE</b>  <b>AFRICA</b>  <b>ASIA</b>  <b>AUSTRALIA</b>  <b>PACIFIC</b>  <b>AMERICA (West Coast)</b>  <b>ALASKA</b>  <b>CALIFORNIA</b>  <b>FLORIDA</b>  <b>ILLINOIS</b>  <b>INDIANA</b>  <b>KANSAS</b>  <b>MICHIGAN</b>  <b>MINNESOTA</b>  <b>MISSOURI</b>  <b>NEBRASKA</b>  <b>NEW YORK</b>  <b>OHIO</b>  <b>PENNSYLVANIA</b>  <b>RHODE ISLAND</b>  <b>TENNESSEE</b>  <b>VERMONT</b>  <b>VIRGINIA</b>  <b>WASHINGTON</b>  <b>WEST VIRGINIA</b>  <b>WISCONSIN</b>  <b>WYOMING</b></p>	<p><b>AMERICA (East Coast)</b>  <b>BAHIA BLANCA</b>  <b>BUENOS AIRES</b>  <b>CAHIA</b>  <b>CHILE</b>  <b>COLOMBIA</b>  <b>COSTA RICA</b>  <b>CUBA</b>  <b>GUATEMALA</b>  <b>HONDURAS</b>  <b>MEXICO</b>  <b>PARAGUAY</b>  <b>PERU</b>  <b>PUERTO RICO</b>  <b>URUGUAY</b>  <b>VENEZUELA</b></p>	<p><b>EUROPE</b>  <b>AFRICA</b>  <b>ASIA</b>  <b>AUSTRALIA</b>  <b>PACIFIC</b>  <b>AMERICA (West Coast)</b>  <b>ALASKA</b>  <b>CALIFORNIA</b>  <b>FLORIDA</b>  <b>ILLINOIS</b>  <b>INDIANA</b>  <b>KANSAS</b>  <b>MICHIGAN</b>  <b>MINNESOTA</b>  <b>MISSOURI</b>  <b>NEBRASKA</b>  <b>NEW YORK</b>  <b>OHIO</b>  <b>PENNSYLVANIA</b>  <b>RHODE ISLAND</b>  <b>TENNESSEE</b>  <b>VERMONT</b>  <b>VIRGINIA</b>  <b>WASHINGTON</b>  <b>WEST VIRGINIA</b>  <b>WISCONSIN</b>  <b>WYOMING</b></p>
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[illegible][illegible][illegible]

ALCANTARA  
BOCANADA  
COLOMBO.  
The Corporation Co., Ltd.  
Bird & Co., P.O. Box 16  
COQUIMBO  
GIBBS & CO., Casilla 846  
J. J. MacAvilite, Casilla 60  
C. L. Hinkley, Ltd.  
O' W. Pringle, Lloyd's Agent  
GUAYAGUIL.  
Soc. Comercial Anglo Ecuatoriana Ltda., P.O. Box 410  
WELLINGTON  
CHRISTCHURCH  
DUNEDIN  
KINROSS & Co., Ltd., P.O. Box 245  
BROADBENT & Chalmers, Bond Street  
Dalgety & Son, Ltd., 21, Kirk Street  
DALGETY & CO., LTD., Featherston Street



Original by "Air Mail" - 17.11.36  
Copy per ss."E. Prince" - 21.11.36

DIREC. TELEGRAFICA  
"VENLENROB"

# LENG, ROBERTS & C<sup>IA</sup> (VENTAS) S.A.

314-RECONQUISTA-314

Nº M-601  
Ref. Pr.129

BUENOS AIRES November 17th, 1936.

American Bank Note Company,  
70, Broad Street,  
New York - U.S.A.

Dear Sirs,

## BANCO CENTRAL DE LA REPUBLICA ARGENTINA

We duly received on the 21st October last your letter of the 1st October, together with a set of models, face and back, for 10 Peso and 100 Peso notes, and the face of a specimen note showing the terms which you use for each of such parts.

We have shown these models to Dr. A. Garcia Morales, the head of the Casa de Moneda, and have left them with Dr. E. Malea Gil, the head of the Emission Department of the Banco Central.

The Banco Central have not yet come to any definite decision with regard to the issue of new notes as this is still subject to consideration by the Board of Directors. We believe, however, that it will eventually be decided to send one or two of the Bank officials abroad to visit different Bank Note printing establishments in the States and Europe, and as soon as any definite decision is come to in this respect we shall advise you.

Before closing we would like to acknowledge and thank you for a copy of your calendar for the year 1937 which has just arrived.

We are, Dear Sirs,  
Yours faithfully,

TAO/MC.  
cc. L/O.

ACCOUNT  
NOV 21 1936



Original by "Air Mail" - 17.11.38  
Copy per as "E. Prince" - 21.11.38

LEUNG ROBERTS & CO (VENTURA) S.A.

314-RECONQUISTA-314

NO. M-201  
Ret. Pr. 123

November 17th, 1938

American Bank Note Company,  
70, Broad Street,  
New York - U.S.A.

Dear Sirs,

BANCO CENTRAL DE LA REPUBLICA ARGENTINA

We duly received on the 21st October last your letter of the 1st October, together with a set of models, face and back, for 10 Peso and 100 Peso notes, and the face of a specimen note showing the terms which you use for each of such pairs.

We have shown these models to Dr. A. Garcia Morales, the head of the Casa de Moneda, and have left them with Dr. E. Malas, the head of the Mission Department of the Banco Central.

The Banco Central have not yet come to any definite decision with regard to the issue of new notes as this is still subject to consideration by the Board of Directors. We believe, however, that it will eventually be decided to send one or two of the Bank officials abroad to visit different Bank Note printing establishments in the States and Europe, and as soon as any definite decision is come to in this respect we shall advise you.

Before closing we would like to acknowledge and thank you for a copy of your calendar for the year 1937 which has just arrived.

We are, Dear Sirs,  
Yours faithfully,

LEUNG ROBERTS & CO  
S.A.

NOV 23 1938



CONTREFACONS ET FALSIFICATIONS

Translation

December 1936.

HEADING I  
A-r-1

ARGENTINE

COUNTERFEIT STATE BANK NOTES  
OF 50 PESOS (CINCUENTA PESOS)

Type 4

State Bank Notes of the "Caja de Conversión", Buenos Aires, without any date of issue, issued in virtue of the law of September 20, 1897 (LAW OF SEPTEMBER 20, 1897).

CHARACTERISTICS:

Size: Slightly larger (than that of the authentic notes).

PAPER: A little thinner and of an inferior quality (to that of the genuine notes).

The hatchings are darker; it tears easily.

WATERMARK: Coarsely imitated by printing grey and dull-white tints on the face.

The face of General San Martin is narrower (than on the genuine notes); the nose is greatly bent and the beard is too tinted. The denominational mark is rendered in an irregular manner.

FACE: (See cliché A-r-1a).

a) UNDERLYING TINT: Irregular and lacks symmetry. (The lines of the underlying tint extend beyond the contour on the right of the effigy. (vignette) )

b) PRINTING: The height is about 4 millimetres less (than that of the genuine notes). Difference in the colors. The unprinted borders are of a width that attracts attention. The vignette (symbol of Progress) is defectively executed and does not fit in with the lathe work of the background intended to enclose it. The contours differ on the left and at the bottom. There are defects in the shaded parts, the coat of arms and the stand (pedestal). The signatures are thicker (than those on the genuine notes) and in parts, blurred. In the signature of the secretary -



"Ernesto Mallea Gil", the dot on the i and the period are missing. The text lacks neatness.

BACK: (See cliché A-r-1B):

a) Underlying TINT: The text "Republica Argentina" repeated ad infinitum , is printed in characters slightly smaller (than those of the genuine notes). Small differences.

b) PRINTING: About 4 millimetres too small in the width.

REMARK: Photo-mechanic reproduction. The counterfeits, seized end of June 1936 at Buenos Aires (Argentina) carry the signatures of the president "Ernesto Mignaquy" and of the secretary "Ernesto Mallea Gil", the Series letter "C" and the numbers " 00.436.709 ", " 00.476.305 ", "00.563.470", "00.743.536" and 00.753.643" (possibly variable).

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(gr1)



Original by "Air Mail" leaving 1.12.36  
Copy per ss."S. Prince"sailing 5.12.36

DIREC. TELEGRAFICA  
"VENLENROB"

# LENG, ROBERTS & C<sup>IA</sup> (VENTAS) S.A.

314-RECONQUISTA-314

Nº M-694  
Ref. Pr.129

BUENOS AIRES December 1st, 1936.

Messrs. American Bank Note Company,  
70 Broad Street,  
New York.

Dear Sirs,

With reference to your letter of the 1st October last, we showed the four models to Mr. Amilcar A. Muschietti and Dr. Ernesto Malea Gil, of the Banco Central, and they asked us to leave these and the specimen note with them, which we accordingly did, writing the Bank a letter embodying the main points of your letter to us.

We have to-day received a reply from the Bank acknowledging receipt of these models and expressing their appreciation of the trouble you have taken to give them this report, which they are very pleased to have as an additional guide to the investigations they are making into the matter of their new bank notes.

In the letter from the Bank they ask us to convey to you their thanks for your courtesy.

So far there have been no fresh developments in connection with the new note issue for the Banco Central, as the matter is still under consideration by the Board.

We are, Dear Sirs,  
Yours faithfully,

TAO/MC.

DEC - 3 1936



RECEIVED



Original by "Air Mail" leaving 1.12.36  
Copy per as "S. Prince" sailing 2.12.36

LEUNG ROBERTS & CO (VENTAS) S.A.

M. 294  
Ref. Pr. 129

314-RECONQUISTA-314

December 1st, 1936.

HONORABLE



Messrs. American Bank Note Company,  
70 Broad Street,  
New York.

Dear Sirs,

With reference to your letter of the 1st October last, we  
showed the four models to Mr. Amador A. Muschietti and Dr. Ernesto  
Lales Gil, of the Banco Central, and they asked us to leave these  
and the specimen note with them, which we accordingly did, writing  
the bank a letter embodying the main points of your letter to us.

We have to-day received a reply from the Bank acknowledging  
receipt of these models and expressing their appreciation of the  
trouble you have taken to give them this report, which they are very  
pleased to have as an additional guide to the investigations they  
are making into the matter of their new bank notes.

In the letter from the Bank they ask us to convey to you  
their thanks for your courtesy.

So far there have been no fresh developments in connection  
with the new note issue for the Banco Central, as the matter is still  
under consideration by the Board.

We are, Dear Sirs,  
Yours faithfully,

TAO/MC.

RECEIVED



DEC --7 1936



Original by "Air Mail" leaving 1.12.36  
Copy per ss. "S. Prince" sailing 5.12.36

DIREC. TELEGRAFICA  
"VENLENROB"

# LENG, ROBERTS & C<sup>IA</sup> (VENTAS) S.A.

314-RECONQUISTA-314

Nº M-694  
Ref. Pr.129

BUENOS AIRES December 1st, 1936.

Messrs. American Bank Note Company,  
70 Broad Street,  
New York.

Dear Sirs,

With reference to your letter of the 1st October last, we showed the four models to Mr. Amilcar A. Muschietti and Dr. Ernesto Malea Gil, of the Banco Central, and they asked us to leave these and the specimen note with them, which we accordingly did, writing the Bank a letter embodying the main points of your letter to us.

We have to-day received a reply from the Bank acknowledging receipt of these models and expressing their appreciation of the trouble you have taken to give them this report, which they are very pleased to have as an additional guide to the investigations they are making into the matter of their new bank notes.

In the letter from the Bank they ask us to convey to you their thanks for your courtesy.

So far there have been no fresh developments in connection with the new note issue for the Banco Central, as the matter is still under consideration by the Board.

We are, Dear Sirs,  
Yours faithfully,

TAO/MC.

DEC 2 1936



RECEIVED



## AMERICAN BANK NOTE COMPANY

*Kille*

SUBJECT: BANCO CENTRAL de la REPUBLICA ARGENTINA

C.P.R.  
DEC 31 1936

December 11, 1936

MR. C. T. BLACKMORE

~~XXXXXXXXXXXX~~  
Mr. F. W. Gullett,

Manager Foreign Department.

*noted  
Jh 12/30/36*

Attention of \_\_\_\_\_

A model for STEEL BANK NOTES \_\_\_\_\_

was prepared on Schedule No. 19190, 19189 dated 4/10/36 - \_\_\_\_\_

Model was submitted 10/1/36 \_\_\_\_\_

and has never been returned.

J. LAWLER

Order Department.

Is order still pending? *Yes.* \_\_\_\_\_

Shall we cancel Schedule? \_\_\_\_\_

Will model be returned? \_\_\_\_\_

To whom should cost be charged? \_\_\_\_\_

*WMC  
12/29/36.*



Original by "Air Mail" leaving 1.12.36  
Copy per ss. "S. Prince" sailing 5.12.36

DIREC. TELEGRAFICA  
"VENLENROB"

# LENG, ROBERTS & C<sup>IA</sup> (VENTAS) S.A.

314-RECONQUISTA-314

Nº M-694  
Ref. Pr.129

BUENOS AIRES December 1st, 1936.

Messrs. American Bank Note Company,  
70 Broad Street,  
New York.

Dear Sirs,

With reference to your letter of the 1st October last, we showed the four models to Mr. Amilcar A. Muschietti and Dr. Ernesto Malea Gil, of the Banco Central, and they asked us to leave these and the specimen note with them, which we accordingly did, writing the Bank a letter embodying the main points of your letter to us.

We have to-day received a reply from the Bank acknowledging receipt of these models and expressing their appreciation of the trouble you have taken to give them this report, which they are very pleased to have as an additional guide to the investigations they are making into the matter of their new bank notes.

In the letter from the Bank they ask us to convey to you their thanks for your courtesy.

So far there have been no fresh developments in connection with the new note issue for the Banco Central, as the matter is still under consideration by the Board.

We are, Dear Sirs,  
Yours faithfully,

TAO/MC.

DEC 2 1936



RECEIVED



Original by "Air Mail" leaving 1.12.36  
Copy per se "S. Prince" sailing 2.12.36

LENG ROBERTS & CO (VENTAS) S.A.

M. M-294  
Ref. Pr. 129

314-RECONQUISTA-314

December 1st, 1936.

BORON AIRS

Messrs. American Bank Note Company,  
70 Broad Street,  
New York.

Dear Sirs,

With reference to your letter of the 1st October last, we  
showed the four models to Mr. Andrew A. Muschietti and Dr. Ernesto  
Lales, of the Banco Central, and they asked us to leave these  
and the specimen note with them, which we accordingly did, writing  
the Bank a letter embodying the main points of your letter to us.

We have to-day received a reply from the Bank acknowledging  
receipt of these models and expressing their appreciation of the  
trouble you have taken to give them this report, which they are very  
pleased to have as an additional guide to the investigations they  
are making into the matter of their new bank notes.

In the letter from the Bank they ask us to convey to you  
their thanks for your courtesy.

So far there have been no fresh developments in connection  
with the new note issue for the Banco Central, as the matter is still  
under consideration by the Board.

We are, Dear Sirs,  
Yours faithfully,

TAO/MC.

RECEIVED



DEC - 17 1936



C.F.R.  
JAN 12 1937

DUPLICATE SENT

January 11, 1937.

Original via air mail

Messrs. Leng, Roberts & Cia., (Ventas), S.A.,  
Reconquista 314,  
Buenos Aires, Argentina.

Dear Sirs:-

BANCO CENTRAL DE LA REPUBLICA ARGENTINA

We beg to acknowledge receipt of your favors dated November 17th and December 1st, from which we note that you have left our models of the proposed 10 and 100 Pesos notes with the head of the Emission Department - Dr. E. Malea Gil.

From what you tell us about the status of this prospective business we gather that most likely some time will elapse before the Board of Directors reach a final decision with regard to the new bank note issue. We suggest, therefore, that you endeavor to get our models back and hold them in your possession until such time as they are again ready to consider the question. This is merely as a matter of precaution, as we have found, through past experience, that where an order is likely to be delayed for some time the models are either apt to be mislaid, lost and even copied.

We very much appreciate the active interest you have taken in keeping in touch with this affair, and should it eventually be decided by the Bank to send some of the officials abroad for the purpose of visiting various bank note



Messrs.Leng,Roberts & Cia.,(Ventas)S.A. -2-

January 11,1937.

printing establishments, we would welcome such a visit, as we believe the officials will be able to convince themselves of the superior methods employed by us in the engraving, printing and safeguarding of the orders entrusted to us for execution, to say nothing of the many other necessary details which such work involves.

It is unnecessary for us to repeat our readiness to co-operate with you in every way we can to secure this business, and should you need any further information please command us.

Looking forward with interest to your further news,

Yours very truly,

Asst.Manager Foreign Department

GWTC/iw



BANCO CENTRAL DE LA REPUBLICA ARGENTINA

DUPLICATE SENT

John Lane, Esq.,  
Rio de Janeiro.

January 13, 1937.

Original via air mail

C. P. 12.  
JAN 14 1937

We enclose you herewith copies of letters received from Messrs. Leng, Roberts & Cía. (Ventas) S.A., dated November 17th and December 1st, as also copy of our reply of January 11th.

When you go to the Argentine you will be afforded a good opportunity to call on the Bank with Messrs. Leng Roberts - and learn the latest developments in this prospective business, and lend a helping hand to the latter, if necessary.

Yours very truly,

Asst. Manager Foreign Department.

GWTC/IW

OTHER COPY IN  
593 Sub Agt.  
CKET



Jan. 31, 1937

SEE - J. L.'s letter of above date .....filed in 672 Arg. Stamp pkt.

re: his leaving for Buenos Aires middle  
of next month.

6111



SECOND ANNUAL GENERAL MEETING OF THE CENTRAL BANK

C. P. R.  
APR 13 1937  
Buenos Aires: The Second Annual General meeting of the Central Bank of the Argentine Republic was held yesterday, under the Chairmanship of Dr. Ernesto Bosch, when the Report and Accounts were approved. (see News-Bulletin No. 94).

The following Directors were re-elected or confirmed in their appointments:

Senor Juan Balbi, representing the national banks  
Doctor Dino Poli, representing the foreign banks  
Senor Pablo Perlender, representing Commerce.

and the following new Directors were appointed:

Senor Eduardo L. Grané, representing the national banks  
Senor Carlos Boero Romano, representing Agriculture  
Senor Vicente R. Casares, representing the Linvestock  
Industry.



Original by "Air Mail" - 23.4.37  
Copy per ss. "Western Prince" 24.4.37

# LENG, ROBERTS & C<sup>IA</sup> (VENTAS) S.A.

TELEGRAMAS: "VENLENROB"

U.T. 31-RETIRO 5000

Nº M-1698

Ref. Pr.129

BUENOS AIRES

April 22nd, 1937

RECONQUISTA 314

Messrs.  
American Bank Note Company,  
70 Broad Street,  
NEW YORK - U.S.A.

Dear Sirs,

Referring to your letter of the 11th January last, we are pleased to advise you that we have to-day obtained from the Bahco Central the return of your models of the proposed 10 Peso and 100 Peso notes, together with the specimen note which you sent us with your letter of the 1st October 1936, and are holding them until such time as they may be again required.

TAO/MC.

cc. Mr. J. Lane.

We are, Dear Sirs,  
Yours faithfully,

LENG, ROBERTS & C<sup>IA</sup> (VENTAS) S.A.

G.W. Ackf.  
APR 29 1937

Rec'd - like this  
APR 30 1937  
Rec'd from Agents  
like this

see 8/10/39

see letter 12/10/41  
filed # 1598



Copy per ss. "Western Prince" 24.4.37  
Original by "Air Mail" - 23.4.37

James Roberts & Co (Limited) S.A.

Ref. 17.128  
M: M-1008

VEEL, BRSS IITQA

NEW YORK - U.S.A.  
40 Broad Street,  
American Bank Note Company,  
Messrs.

Des. 7515

We are, Dear Sirs,

Yours faithfully

• 511/042

[illegible]



# AMERICAN BANK NOTE COMPANY.

AIR MAIL

SUBJECT BANCO CENTRAL de la R. ARGENTINA

John Lane  
MONTEVIDEO

to

New York

DEC 30 1937

DATE April 24 1937

Enclosed is an extract from the Bank's 1936 Annual Report, which Mr. Owen of Leng, Roberts sent me and of which the following is a translation.

The pressure of these activities has not caused us to lose sight of the necessity of solving the problem of changing the present type of notes. To be sure, there is no legal compulsion since replacement, stipulated in the Organization Law, was commenced within the periods prescribed, by changing the text of the former notes, both in the subsidiary emission and in that of the Banco Central. Notwithstanding this, the Bank has been preoccupied in obtaining a satisfactory solution, for the present type of note does not meet the needs which the matter demands and which have been recognized in the principal countries of the world and which, among others, is that of making counterfeiting as difficult as possible. The studies, carried out by the Bank with the collaboration of the National Mint (Casa de Moneda), point to the advantage of resorting to the steel engraved process in view of the guarantees which it offers, compared with the simple typographic process actually employed, aside from reasons of an aesthetic character. Steel engraving was used for the issues made in the country at one time, between 1875 and 1900. It is undoubtedly a slower and more costly process which must be taken into account before arriving at a definite solution. On the other hand, costs will necessarily increase because of the more frequent renewal of the small denominations. The condition of these notes, circulating in the interior of the country, leave much to be desired. One of the intentions of the Bank is to remedy this undesirable condition as soon as possible.

These changes will require a heavy capital investment in building and machinery. For this purpose the Bank has started the formation of an adequate reserve fund which is noted elsewhere.

There is also under study an interesting proposal of the National Mint for issuing 50 centavo and one peso coins, respectively of pure nickel and quaternary silver, which, on a previous modification of existing laws governing the matter, will circulate on a par with the subsidiary notes.

Of the balance it is proposed to assign the amount of 1,500,000 pesos (about 500,000 dollars USC) to the Special Contingency Reserve, from which will be taken the funds that may be required for the printing of the new notes of the new type to which reference was made elsewhere.

Evidently the Bank still holds to the intention of having its notes printed at home. However, I shall look into matter shortly.

not missing



# AMERICAN BANK NOTE COMPANY

AIR MAIL

BANCO CENTRAL DE LA R. ARGENTINA

RECEIVED

DATE

APRIL 20 1937

New York

JOHN LANE  
CONTINUING

Enclosed is an extract from the Bank's 1936 Annual Report, which  
Mr. Owen of Bank, Roberts sent me and of which the following is a transla-

tion

The pressure of these activities has not caused us to lose sight  
of the necessity of solving the problem of changing the present  
type of notes. To be sure, there is no legal compulsion since  
replacement, authorized in the Organization Law, was postponed  
within the period prescribed, by changing the text of the for-  
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Bank's central. Nevertheless, this, the Bank has been pro-  
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type of note does not meet the needs which the latter demands  
and which have been recognized in the principal countries of  
the world and which, among others, is that of making cover-  
ing as difficult as possible. The standard, derived out by  
the Bank with the collaboration of the National Bank (BNC) is  
designed to point to the advantage of resorting to the steel en-  
graved process in view of the guarantees which it offers, com-  
pared with the simple typographic process usually employed.  
Aside from reasons of an aesthetic character, steel engraving  
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tween 1875 and 1900. It is undoubtedly a slower and more cost-  
ly process which must be taken into account before arriving at  
a definite solution. On the other hand, costs will necessarily  
increase because of the more frequent renewal of the small de-  
nominations. The condition of these notes, circulating by the  
million of the country, leaves much to be desired. One of the  
intentions of the Bank is to remedy this undesirable condition  
as soon as possible.

These changes will require a heavy capital investment in building  
and machinery. For this purpose the Bank has started the forma-  
tion of an adequate reserve fund which is now elsewhere.  
There is also under study an interesting proposal of the National  
Bank for issuing 50 centavo and one peso notes, respectively of  
gold and silver, which on a previous occasion  
tion of existing laws governing the matter, will constitute one  
per with the subsidiary notes.

Of the balance it is proposed to retain the sum of 1,500,000  
pesos (about 300,000 dollars BNC) to the Special Contingency  
Reserve, from which will be taken the funds that may be required  
for the printing of the new notes of the new type to which refer-  
ence was made elsewhere.

Presently the Bank still holds to the intention of having its  
notes printed at home. However, I shall look into matter shortly.





**AMERICAN BANK NOTE COMPANY.**

**SUBJECT** Bco. Central de la R. Argentina

-2-

**DATE** April 24 1937

MONTEVIDEO

to

**New York**

I would here acknowledge receipt of your letter of January 13th, enclosing copy of your letter of January 11th to Leng, Roberts and of theirs of November 17th and December 1st to you. From their letter of April 22nd to you, I note that the models and specimen have been returned by the Banco Central.

*Shubane*

JL

OTHER COPY IN  
PACKET 593 Subt. Agt.



DATE APRIL 24 1937

New York

RECEIVED

to

I would have acknowledged receipt of your letter of January 18th, enclosing copy of your letter of January 18th to Messrs. Roberts and of theirs of November 17th and December 1st to you. From their letter of April 2nd to you, I note that the models and specimens have been returned by the Bank.

*Roberts*

Central

11

RECEIVED



APR 30 1937

RECEIVED



DEC 30 1937

EXTRACT FROM ANNUAL REPORT OF THE BANCO CENTRAL

DE LA REPUBLICA ARGENTINA POR EL AÑO 1936

LA REFORMA DEL TIPO DE BILLETES

Lo intenso de esas tareas no ha hecho perder de vista la necesidad de resolver el problema de la reforma del tipo actual de billetes. No hay por cierto apremio legal, pues el canje dispuesto por la Ley de Organización se ha iniciado en los plazos prescriptos, mediante el cambio de leyenda de los anteriores billetes, así en la emisión subsidiaria como en la del Banco Central. A pesar de ello, el Banco se preocupa en encontrar una solución satisfactoria, pues el tipo actual de billetes no responde a las exigencias que en esta materia se han reconocido en los principales países del mundo, entre otras, la de dificultar en lo posible las falsificaciones. Los estudios realizados por el Banco, con la colaboración de la Casa de Moneda de la Nación, sugieren la conveniencia de recurrir al procedimiento del grabado en acero, por las garantías que ofrece en comparación con el simple procedimiento tipográfico que se emplea actualmente, aparte de evidentes razones de orden estético. El grabado en acero se usó anteriormente en el país en las emisiones hechas entre los años 1875 a 1900. Es indudablemente un procedimiento más lento y costoso, lo que no dejará de tenerse en cuenta antes de adoptar la solución definitiva. El costo, por otra parte, aumentará necesariamente al renovarse con mayor frecuencia los billetes de denominaciones menores. El estado de estos billetes en circulación en el interior del país deja mucho que desear, y entre los propósitos del Banco está el de corregir tal deficiencia en cuanto sea posible.

Estas reformas requirieron una fuerte inversión de capital en edificación y maquinarias, para lo cual el Banco ha iniciado la formación de una reserva adecuada, como se verá en otro lugar.

También se tiene a estudio una interesante iniciativa de la Casa de Moneda de la Nación para la emisión de monedas de m/n. 0,50 y de m/n 1, en níquel puro y plata cuaternaria, respectivamente, que circulen a la par de los billetes subsidiarios, previa la modificación de las leyes vigentes sobre la materia.

Del residuo se propone destinar la cantidad de m/n 1,500,000 para Reserva Especial de Previsión, de la que se tomarán los fondos que pueda requerir la fábrica de los nuevos billetes de nuevo tipo a que se hizo referencia en otro lugar.



RECEIVED



APR 30 1937

100-101-100

UNITED STATES DEPARTMENT OF JUSTICE

TO THE HONORABLE ATTORNEY GENERAL  
FROM THE DIRECTOR OF THE BUREAU OF INVESTIGATION  
SUBJECT: [Illegible]  
[The following text is extremely faint and largely illegible due to the quality of the scan. It appears to be a memorandum or report detailing an investigation.]

[Continuation of the faint, illegible text from the previous block.]

[Final lines of the document, also illegible.]



C. P. R.  
APR 30 1937

April 29, 1937

Messrs. Leng, Roberts & Cía., (Ventas) S.A.,  
Reconquista 314,  
Buenos Aires,  
Argentina.

Dear Sirs:-

We thank you for your letter of April 22nd, and are pleased to learn that you succeeded in having returned to you the models we prepared for the proposed 10 and 100 Pesos notes for the Banco Central de la República Argentina, and that you are holding the same, together with the "specimen" note sent you with our letter of October 1st last, for possible future use.

Yours very truly,

Manager Foreign Department

IW

c.c. John Lane.  
Montevideo.



CONTREFACONS ET FALSIFICATIONS

New Bank Notes and COINS

Heading III

A-r-1

May 1937.

ARGENTINE

New bank notes of 50 Pesos (1)  
(Cincuenta Pesos)

Bank notes of the "Banco Central de la República Argentina", Buenos-Aires.

Characteristics:

Size: 173 x 82 millimeters (approximately)

Paper: Salmon.

Watermark: 1) Head of General San Martin (in the upper left);  
2) 50 PESOS (in the lower center right).

Face (See photograph A-r-1a):

- a) Tint: Rectangular space with design of undulated blue lines. A design in the form of a coat of arms, reserved in blank in the upper left (watermark) and a rectangle reserved in blank in the right center (watermark).
- b) Printing: dark blue (signatures and initial of control in black and the series and number in red). On the left: Feminine effigy seated on pedestal; the right arm leaning on the shield with coat of arms; in the left <sup>hand</sup> a torch (symbol of progress). On the right and in the center: ornament with the figure "50", in the upper right: text and signatures.

Text

El Banco Central  
de la República Argentina  
pagará al portador y a la vista  
CINCUENTA PESOS  
Moneda nacional  
Ley no. 12155 de 28 de marzo  
de 1935  
Raúl Prebisch  
Gerente general  
Ernesto Bosch  
Presidente

Translation

The Central Bank  
of the Republic of Argentina  
will pay to bearer at sight  
FIFTY PESOS  
National currency  
Law no. 12155 of March 28, 1935  
Raúl Prebisch  
General Director  
Ernesto Bosch  
President



Back (see photograph A-r-1b):

- a) Tint: light green. Space with laurel leaves arranged in a certain style and the text "REPUBLICA ARGENTINA" repeated indefinitely.
- b) Printing: dark blue. Border adorned with laurel leaves and the figure "50" indicating the value in the two left corners as well as in the lower right corner. In the upper right angle, an ornamented frame, with ~~XXXX~~ (space) left in blank (watermark). On the left and right: an ornament with ribbon design. In the ornament on the left, the initials: "RA" (República Argentina); in the one on the right, the coat of arms of the Republic of Argentina. In the centre - panel with denominational value "FIFTY PESOS". Above, a staff with two wings and text; below, rectangular space left in blank (watermark).

Text	Translation
REPUBLICA ARGENTINA	ARGENTINE REPUBLIC

- 
- 1) Issued from September 10, 1936 in virtue of laws nos. 12155 and 12160 of March 28, 1935 (published in the "Official Bulletin" No. 12.242 of April 5, 1935) as well as the decrees No. 61.126 of May 18, 1935 published in the "Official Bulletin" No. 12.296 of June 18, 1935) and No. 62,420 of June 24, 1935 (published in the "Official Bulletin" No. 12.400 of October 24, 1935).

These bank notes ~~XXXX~~ differ from the State notes of 50 Pesos issued previously by the "Caja de Conversion" only by the text of the face, the official's title "Gerente General" and by the signatures. Instead of text "Republica Argentina La Nacion pagara al portador y a la vista" (1st and 3d line above) appears: "El Banco Central de la Republica Argentina pagara al portador y a la vista". Where the text "LEY DE 20 DE SEPTIEMBRE DE 1897" appears (below the blank rectangular space with watermark) we find "LEY No. 12155 DE 28 DE MARZO DE 1935". The line "CAJA DE CONVERSION" disappeared and was not replaced by another. The official's title "Secretario" was replaced by "Gerente General"; that of "Presidente" remained. The back was not changed.

---



May 1937.

Heading III  
A-r-la

ARGENTINE

(PHOTOGRAPH OF FACE OF NOTE)

New bank note of 50 Pesos (1)  
(Face, reduced size 134 x 64 millimeters) (See Heading III:  
A-r-1 and 1b).

(1) Reproduction of a note (specimen) that the Banco Central de la Republica Argentina, Buenos-Aires, kindly entrusted to the Editing Department for its Collection of authentic bank notes of all States.

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(PHOTOGRAPH OF BACK OF NOTE)

Heading III A-r-lb

New bank note of 50 Pesos (1)  
(Back, reduced size 134 x 64 millimeters) (See Heading III: A-r-1 and  
1a)

(1) Reproduction of a note (specimen) that the Banco Central de la Republica Argentina, Buenos-Aires, has kindly entrusted to the Editing Department for its Collection of authentic bank notes of all States.

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(grl)



CONTREFACONS ET FALSIFICATIONS

NEW BANK NOTES AND COINS

Heading III

A-r-2

May 1937.

ARGENTINE

NEW BANK NOTES OF 100 PESOS (1)  
(Cien Pesos)

Bank notes of the "Banco Central de la República Argentina", Buenos-Aires.

CHARACTERISTICS:

Size: 173 x 82 millimeters (approximately)

Paper: Yellow.

Watermark: 1) Head of general San Martin (in the upper left);  
2) 100 Pesos (in the lower right center).

Face (see photograph A-r-2a);

- a) Tint: Rectangular space with design of blue wavy lines. A design in coat of arms form, reserved in blank in the upper left (watermark) and a rectangle reserved in blank in the right center (watermark).
- b) Printing: dark blue (the signatures and the initial of control, in black and the series with the number in red). On the left: Feminine effigy seated on a pedestal; the right arm leaning on a shield with coat of arms; in the left hand, a torch (symbol of progress). On the right and in the center: ornament with the figure "100", in the upper right; text and signatures.

Text

El Banco Central  
de la República Argentina  
pagará al portador y a la vista  
CIEN PESOS  
moneda nacional  
Ley No. 12155 de 28 marzo  
de 1935  
Raúl Prebisch  
Gerente general  
Ernesto Bosch  
Presidente

Translation

The Central Bank of the  
Republic of Argentina will  
pay to bearer at sight  
One Hundred Pesos  
National Currency  
Law No. 12155 of March 28, 1935  
  
Raúl Prebisch  
General Director  
Ernesto Bosch  
President.



Back (See photograph A-r-2b);

- a) Tint: light greyish green. Space with laurel leaves in a certain design and the text "REPUBLICA ARGENTINA" repeated indefinitely.
- c) Printing: Dark greyish green. Border adorned with laurel leaves and the figure "100" showing the value in the two left corners as well as in the lower right angle. In the upper right corner, an ornamented frame with space reserved in blank (watermark). On the left and the right: an ornament with ribbon design. In the ornament on the left the initials "RA" (República Argentina); in that of the right the coat of arms of the Argentine Republic. In the center: panel with the value "CIEN PESOS". Above, a staff with two wings and text; below rectangular space reserved in blank (watermark).

<u>Text</u>	<u>Translation</u>
REPUBLICA ARGENTINA	REPUBLIC OF ARGENTINE.

- 1) Issued from August 14, 1936 in virtue of laws No. 12155 and 12160 of March 28, 1935 (published in the Official Bulletin) No. 12.242 of April 5, 1935) as well as the decrees No. 61.126 of May 18, 1935 (published in the Official Bulletin of June 18, 1935) and No. 62.420 of June 24, 1935 (published in the Official Bulletin No. 12400 of October 24, 1935).

These bank notes ~~\*\*\*\*\*~~ differ from the State notes of 100 pesos issued previously by the Caja de Conversion only in the face text, the official title "Gerente general" and the signatures. Instead of the text "Republica Argentina La Nacion pagara al portador y a la vista" (1st and 3d upper line) appears: "El Banco Central de la República Argentina pagara al portador y a la vista". In place of the text "LEY DE 20 DE SEPTIEMBRE DE 1897" (below the blank rectangular space with the watermark) one finds: "LEY No. 12155 de 28 DE MARZO DE 1935". The line "CAJA DE CONVERSION" disappeared and was not replaced by another. The official title "Secretario" was replaced by "Gerente General"; that of "Presidente" remained. The back was not changed.

May 1937.

ARGENTINE

Heading III  
A-r-2a

(Photograph of Note)

New bank note of 100 Pesos (1)

(Face, size reduced - 134 x 65 millimeters) (See Heading III: A-r-2 and 2b)

- (1) Reproduction of a bank note (specimen) which Banco Central de la República Argentina, Buenos Aires, kindly entrusted to the Editing Dept. for its Collection of authentic notes of all States.

May 1937.

ARGENTINE

Heading III  
A-r-2b

(Photograph of Note)



New bank note of 100 Pesos (1)

(Back, size reduced - 134 x 65 millimeters) (See Heading III: A-r-2 and 2a).

- (1) Reproduction of a bank note (specimen) that the Banco Central de la Republica Argentina, Buenos Aires, kindly entrusted to the Editing Department for its Collection of authentic bank note of all States.

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(gr1)



## AMERICAN BANK NOTE COMPANY

SUBJECT: BANCO CENTRAL DE LA REPUBLICA ARGENTINA

June 7th, 1937.

MR. C. T. Blackmore

~~XXXXXXXXXXXX~~

Manager Foreign Department.

Order Entered

By [Signature]

No. 6/9/37

Date 6/9/37

Attention of \_\_\_\_\_

A model for Bank Noteswas prepared on Schedule No. 19189 - 19190 dated Bank NotesModel was submitted Reporte pending 12/11/36

and has never been returned.

J. LAWLER

Order Department.

Is order still pending? Yes.

Shall we cancel Schedule? \_\_\_\_\_

Will model be returned? \_\_\_\_\_

To whom should cost be charged? \_\_\_\_\_

RECEIVED

JUN - 9 1937

J. B. P.



**AMERICAN BANK NOTE COMPANY.**

AIR MAIL

J. Lane  
BUENOS AIRES**SUBJECT**

BANCO CENTRAL de la R. Argentina

DEC 30 1937

**DATE** June 29 1937to  
**New York**

No decision to change the Argentine notes, as they are printed at present, will be taken this year; the above is now simply marking time. That they will ever be printed outside the country continues most improbable.

The largest part, in quantity of notes, of the country's currency is the government's - the one and five peso notes - of which the Bank is merely the issuing intermediary. The Bank, while it may be technically free to print where it will the denominations for which it is directly responsible, would have to heed and, in practice, could not escape the government's demands or even its desires. It is absolutely evident to me that the Bank intends to do precisely what the government and the Casa de Moneda want - the printing of all notes in the country.

The government issued a decree last week, setting aside 2,500,000 pesos (a little less than \$800,000 US currency), for the construction of a new building for the Casa de Moneda, whose Director has had preliminary plans drawn up, and for enlarging its equipment. It is expected that manufacturing costs will be reduced and larger returns obtained. As you know, the Casa does commercial work also, such as checks for banks. The Argentine government has gone in on a generous scale for the construction of public buildings and for public works; it is evident that the Casa de Moneda had its claims for attention granted.

The next President of the country will be Dr. Ricardo M. Ortiz in all probability; for that purpose he has just resigned as Minister of Finance. It was he who signed the decree granting the Casa 2,500,000 pesos. It has been said that he has declared that, if the Banco Central thinks it will have notes printed on its own premises, it is mistaken, the notes will be printed by the Casa de Moneda. In the meantime neither



**AMERICAN BANK NOTE COMPANY.**

**SUBJECT** BANCO CENTRAL de la R. ARGENTINA

-2-

**DATE** June 29 1937

to  
**New York**

the Bank nor the government will decide on the definitive type of note before the new President takes office next February.

The Bank may not send any commission abroad to study note printing methods; my impression is that it does not intend to do so; it claims to have voluminous reports and data. While it stated in its annual report (my letter of April 24th) that its studies pointed to the advantage of steel engraved notes, still that was a slow, expensive process; its studies were in collaboration with the Casa de Moneda. In my opinion it is within possibilities that the Casa attempt on its own account a "steel engraved note", using watermarked paper. Portals would not mind that, though they would actively oppose any arrangement or method which would deprive them of the supplying of the paper for notes.

I have not discussed this problem with Leng, Roberts. Messrs. Roberts and Meynell have been away, the latter only arriving to-day from England. However, the thought occurs if it would not be worth while, since there seems to be no probability of Argentine notes being printed abroad, except in a possible transition period, of submitting some definite proposition for the printing of steel engraved notes here for the Bank and the government by a specially organized company or a special autonomous department of the Casa de Moneda or, possibly, of the Bank. The matter of stamps, etc. could be left for a future, opportune time which would make the initial problem and proposition less complicated.

Yours very truly,

JL

OTHER COPY IN  
PACKET 593 Sub A

B



New York

DATE June 23 1937

FOREIGN DEPT  
A. B. N. CO.



JUL 6 1937

The Bank has the honor to acknowledge the receipt of your letter of June 15, 1937, in relation to the proposed issue of Argentine notes. The Bank is not in a position to advise you as to the results of the printing process, as my impression is that it does not intend to do so. It is claimed to have volunteered reports and data, which is stated in the annual report (my letter of April 24th) that the studies pointed to the advantage of steel engraved notes, still there was a slow, expensive process; its studies were in consultation with the Casa de Moneda. In my opinion it is within possibilities that the Casa attempt on its own account a "steel engraved note", using returned paper. This would not kind meet, though they would actively oppose any change and or method which would derive from the supplying of the paper for notes. I have not discussed this matter with Mr. Roberts, however, Robert and myself have been away, the latter only arriving to-day from England. However, the thought occurs to me that it would be worth while, since there seems to be no probability of Argentine notes being printed abroad, except in a possible transition period of admitting the definite proposition for the printing of steel engraved notes here for the Bank and the Government by a specially organized company or a special autonomous department of the Casa de Moneda or, possibly, of the Bank. The matter of stamps, etc., could be left for a future, opportune time which would make the initial problem and its position less complicated.

Yours very truly,

*John D. ...*



C.P.R.  
JUL 21 1937

July 3, 1937

From - Roberts, Meynell & Co. .... Weekly News Bulletin No. 110

NEW DIRECTOR OF THE CENTRAL BANK APPOINTED

Buenos Aires: The President of the Banco de la Nación Argentina, Senor Jorge A. Santamarina, has been appointed Director of the Central Bank in representation of that institution, to fill the vacancy created by the appointment of Dr. Carlos A. Acevedo to the Ministry of Finance.



AIR MAIL  
via CONDOR

Hotel Continental  
BUENOS AIRES

July 28th, 1937

OCT - 6 1937

Mr. H. J. Boulvin,  
52 Avenue des Champs Elyseés,  
PARIS.

Dear Mr. Boulvin:

I have learned that the Banco Central de la República Argentina has received from a French source an offer for a new kind of paper for notes in which it is showing considerable interest. The paper is supposed to have some acid resisting quality. My information is rather vague at the moment but so soon as I can obtain anything further, I shall send it to you.

However, it is possible that you know of a new kind of paper for notes of French origin. The Bank of France would probably know of any such paper produced in the country. If you have or obtain any data in the matter, please advise New York. It would be helpful for me to have such information here.

In case you write me, please address me care of  
Leng, Roberts & Cia.(Ventas), Reconquista 314, Buenos Aires.

Yours very truly,

Copy to New York. ✓

JL





Original by "Air Mail" - 30.7.37  
Copy per ss. "Northern Prince" 31.7.37

# LENG, ROBERTS & CIA (VENTAS) S.A.

TELEGRAMAS: "VENLENROB"

U.T. 31-RETIRO 5000

Nº M-2533  
Ref. Pr.129

BUENOS AIRES

RECONQUISTA 314

July 28th, 1937

Messrs. American Bank Note Company,  
70, Broad Street,  
New York.

Dear Sirs,

We have had the pleasure of having your Mr. John Lane with us for the last few weeks, and have visited the Banco Central and the Casa de Moneda with him, and he will no doubt have written you with regard to the impressions he has received as a result of these interviews and in connection with the new bank notes to be eventually issued by the Banco Central.

We are attaching copy of a Memorandum which we yesterday gave to Mr. Lane, with a brief outline of the present position.

We are, Dear Sirs,  
Yours faithfully,

TAO/MC.

Encl.

Copy Memo dated 27.7.37.



Original by "Air Mail" - 30.7.37  
Copy per as. "Northern Pioneer" 31.7.37  
LEUNG ROBERTS & CO (VENTAS) S.A.

Ref. Fr. 189  
M-2533

July 28th, 1937

PROCESSED 314

BRIDGE ALBANY

Messrs. American Bank Note Company,  
70, Broad Street,  
New York.

We have had the pleasure of having your Mr. John Lane visit  
us for the last few weeks, and have visited the Banco Central and the  
Banco de la Republica, and he will no doubt have written you with  
regards to the situation. He has received as a result of these interviews  
viewed in connection with the bank notes to be eventually issued  
by the Banco Central.

We are awaiting word of a representative who we understand  
will be in charge of the present position.

Very truly yours,

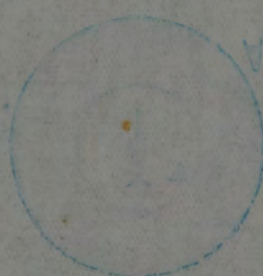
Leung Roberts & Co (Ventas) S.A.

AUG - 2 1937



A  
M  
FOREIGN DEPT  
A.B.N.CO.

AUG - 2 1937



RECEIVED



MEMORANDUM REGARDING BANK NOTES  
AND COINS.-

July 27th, 1937.

In a recent interview with Dr. Garcia Morales, the Director of the Casa de Moneda, he confirmed that he hoped that work could be commenced shortly on putting up a new building on ground adjacent to the State Railways in the New Port, authorized by Decree of the Poder Ejecutivo.

He gave us his opinion that the Banco Central would not go on with their original idea of putting up a separate printing plant for notes, but that the Casa de Moneda would continue to do this work and would be in a position as soon as their new building is up and equipped with modern machinery, to print the notes from steel engraved plates.

He stated that the Reserve Fund of \$1,500,000 m/l. which the Banco Central show in their last Annual Report as having been set aside for note printing, would only cover about two years payments to the Casa de Moneda, as the printing of notes on the present scale costs about 800,000 Pesos per annum.

He stated that in his opinion steel engraved notes would be definitely adopted, and that they would have to be printed in the country, the original plates being engraved abroad and transfers made by the Casa de Moneda.

He stated that it had been practically decided to issue two coins, one of 50 cents of pure nickel, and the other of One peso of gустernary silver. The One Peso coin would not replace the Peso note as he thought that while the coin might be accepted in some parts of the country, the note would be preferred in others.

Information since obtained confirms that the Banco Central have given up their idea of putting up their own printing plant, and no provision for this plant has been made in their new building.

The Banco Central, we understand, have recommended the Government to reinstate the One Cent and Two Cent copper coins, and a decree is at present pending signature by the Executive. This coin, we understand, will be much smaller than the previous ones, the new One Cent being about the size of the threepenny piece and the Two Cent about the size of a sixpence, and we understand that the Casa de Moneda have sufficient quantity of metal from the melting down of the old coins, to make a first issue.

We understand that the Banco Central have received an offer from a French source of some new type of paper in which they are showing considerable interest, and we are investigating this matter further.

TAO/MC.



FOREIGN DEPT  
A B N. CO.

AUG -7



AUG -7 1937



DEC 30 1937

MEMORANDUM REGARDING BANK NOTES  
AND COINS.-

July 27th, 1937.

In a recent interview with Dr. García Morales, the Director of the Casa de Moneda, he confirmed that he hoped that work could be commenced shortly on putting up a new building on ground adjacent to the State Railways in the New Port, authorized by Decree of the Poder Ejecutivo.

He gave us his opinion that the Banco Central would not go on with their original idea of putting up a separate printing plant for notes, but that the Casa de Moneda would continue to do this work and would be in a position as soon as their new building is up and equipped with modern machinery, to print the notes from steel engraved plates.

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He stated that it had been practically decided to issue two coins, one of 50 cents of pure nickel, and the other of One Peso of quaternary silver. The One Peso coin would not replace the Peso note as he thought that while the coin might be accepted in some parts of the country, the note would be preferred in others.

Information since obtained confirms that the Banco Central have given up their idea of putting up their own printing plant, and no provision for this plant has been made in their new building.

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We understand that the Banco Central have received an offer from a French source of some new type of paper in which they are showing considerable interest, and we are investigating this matter further.

TAO/MC.



July 27, 1937

In a recent interview with Dr. Carlos, a close friend of the Director of the Bank, he mentioned that he had seen a note which was being printed in the Bank's printing plant. He mentioned that the note was being printed in the Bank's printing plant and that it was being printed in the Bank's printing plant.

He also mentioned that the note was being printed in the Bank's printing plant and that it was being printed in the Bank's printing plant. He mentioned that the note was being printed in the Bank's printing plant and that it was being printed in the Bank's printing plant.

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Aug 20 1937



FOREIGN DEPT.  
A.E.N.CO.  
AUG 20 1937



RECEIVED  
AUG 20 1937



# AMERICAN BANK NOTE COMPANY.

AIR MAIL

J. Lane  
BUENOS AIRES

SUBJECT BANCO CENTRAL DE LA REPUBLICA ARGENTINA

C. T. B.

DATE July 29 1937

to  
New York

In an interview with the Director of the Casa de Moneda, Dr. García Morales, he stated that he had not commenced construction of the new building which is to be put up on fiscal lands down by the new port (Puerto Nuevo). He has been giving the new Minister of Finance a chance to settle down before submitting plans, etc. for his signature. He was absolutely sure that all his plans would go through without a hitch; he was not bothered in the slightest what the Banco Central might or might not be contemplating regarding notes.

When the Bank's special fund, now 1,500,000 pesos (my letter of April 24th) was mentioned, he smilingly stated that that sum would cover only about two years' payments to the Casa de Moneda; that the printing of their notes on the present scale costs about 800,000 pesos a year (around \$245000 US Currency); and that he was convinced that the Banco Central had given up the idea of having a separate plant for printing notes. The high cost of printing notes in a plant of its own would be enough to dissuade the Bank from any such notion. In any event, it was the national government which had supreme control of the currency of the country; it had direct control of coins and of the one and five peso notes which had not been transferred to the Bank and which were issued in much greater volume than the other denominations.

When I asked what he thought he could do with 2,500,000 pesos (amount allotted in the recent decree), he said that that sum was only a starter. He simply wanted to get construction going and have everything ready in about two years. He had been working on his various plans for ten years and it was only now that he had gotten action and from the man who will probably be the next president.

At the proper time he will make a call for bids for supplying machinery and equipment to print steel engraved notes. The dies will be made abroad and transferred to plates at his new plant. Technical men will be imported, probably through the firm that supplied the equipment. In due time, over a number of years, he will have a trained corps of native men who will have acquired the necessary ability and knowledge to carry on. However, the engraved dies will come from abroad probably indefinitely. When I hinted at the risks in getting dies and plates from abroad, he retorted that we would have to run the same risks if we set up a plant here. When I inquired if he intended to use watermarked paper for notes, he stated that that was what he preferred despite the difficulties in registration. This confirms Sr. Muschietti's preference for the Bank of England type of note. It was evident that the Bank and the government would muddle along with the notes they have until such time as the Casa de Moneda was installed in its new building and all set to print the type of steel engraved notes finally decided upon.

Dr. García Morales was quite expansive also on coins, postage stamp paper and inks. As to coins, it had been practically decided to issue a pure nickel one of 50 centavos and a quaternary silver one of a peso. The latter was not intended to replace the one peso notes. He believed that they would not be acceptable in commercial centers but would be in the country districts where it is difficult to renew notes. It is understood that a decree is also pending signature, authorizing the emission of one and two centavo copper coins of a much



July 29 1937

smaller size than the old ones which are rarely seen in circulation now. The Casa de Moneda is supposed to have enough copper, from the old coins it melted down, to make an initial issue.

As to postage stamp paper, the Director thinks that he will have to get a casein coated paper from Germany since other papers give much trouble on the German machines he acquired. As to inks, he now finds that the German (Baer) are the best after much experimenting with English and French (Lorillard) inks.

The Director has bright visions of a big profit-making future for the Casa de Moneda. He intends, for instance, to print all the provincial and municipal bonds, the mortgage bonds (now printed by Peuser), public service and utility bonds, and much other commercial work. In other words, the Casa will more than pay for itself.

The Banco Central's new building on calle Reconquista is now under construction and no provision for a printing plant has been made in the plans. The plot of ground is very large but the building, which is really an extension to the old one on calle San Martín, will be only three stories, with provision for others when desired. Dr. Uriburu has stated that, in view of the projected new building for the Casa de Moneda, the Bank has dropped the idea of a printing plant of its own.

In discussing the problem with Messrs. Roberts, Meynell and Owen, all concurred in the opinion that not even a temporary, initial issue of notes would ever be made abroad; that, if the Bank definitely abandoned the idea of a printing plant of its own, the notes would be printed by the Casa de Moneda; that my idea of an autonomous bureau or division, while of possible realization, was not probable.

There is no doubt but that the government, the casa de Moneda and the Bank are all set, decided on where the notes shall be printed, by the Casa. The Casa will admit of no one controlling or running any division except as to temporary technical supervision. The thought, expressed in my letter of June 29th, would therefore be most difficult, if not impossible, to be realized.

Without full control and management we will not supply machinery, we will not furnish engraved dies or plates; yet, it is only on some such basis that anything can be done in the Argentine, acceptable now to the entities just mentioned. Since our policy is rigid in this respect, there seems very little which can be suggested.

However, you may have something in mind which could fit into the present situation. It was reported some time ago that President Justo would pay a visit to the States next month. The idea seems to have been dropped. Yet, another has cropped up - a visit by Dr. Ortiz in September if he is elected President on the 5th of that month; there seems to be no doubt as to that at the moment. Sr. Irigoyen, Argentine financial delegate in the States, will know about any such projected visit. Through him any proposition or arrangement could be placed before Dr. Ortiz who is fully conversant with the whole matter. Dr. Ortiz would be the most effective man to deal with, especially if he were on the ground.

I would here remark that Mr. Owen has handed me a copy of Leng, Roberts' letter of July 28th to you.

Yours very truly,

OTHER COPY IN

PACKET

593 Sub Agt John Kane



July 20, 1957

MANCO CENTRAL  
LA HUACALILLA

enclosed also find one of the ones which are being sent in circulation for the case of necessity to be enough to cover the cost of the paper.

As for the other ones, the director thinks that he will have to get a certain number of them from the other papers, five hundred copies of the other ones are required. As to the other ones, the director thinks that the other ones are not enough to cover the cost of the paper.

The director has brought with him a large number of copies of the other ones, five hundred copies of the other ones are required. As to the other ones, the director thinks that the other ones are not enough to cover the cost of the paper.

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Yours very truly,

*[Signature]*

GIVEN COPY

MANCO CENTRAL

Aug - 9 1957



RECEIVED



SEP 27 1937

CONTREFACONS ET FALSIFICATIONS

-----

Translation

Heading 1  
A-r-1

August 1937.

ARGENTINE

COUNTERFEIT STATE NOTES OF 100 PESOS  
(ONE HUNDRED PESOS)  
Type 2

State notes of the "Caja de Conversion" , Buenos Aires, without any date of issue, issued in virtue of law of September 20, 1897 (LAW OF SEPTEMBER 20TH, 1897).

CHARACTERISTICS:

Paper: Slightly thinner. Under ultraviolet light it is darker than the authentic paper.

Watermark: Very evident, even in daylight.

Face (See clichés A-r-1a and 1b as well as the <sup>partial</sup> reproductions 1c, 1d, 1e, and 1f)

a) Tint : darker.

b) Printing: darker. Printing stronger but nevertheless less clear. Differences in the sizes of the design. In the effigy (symbol of progress) the head is drawn differently by means of strong lines (compare A-r-1c, No. 1 with A-r-1d, No. 1). The neck is thickly inked and rendered in an imperfect manner, while on the authentic notes the details stand out clearly (compare A-r-1c, No. 2 with A-r-1d, No. 2). The thumb of the hand holding the torch is shorter and thicker than on the authentic notes. The interior part of the smoke of the torch is irregularly and imperfectly hatched (compare A-r-1c, No. 4 with A-r-1d, No. 4). There are a few discrepancies in the folds of the cloak (compare A-r-1e, No. 3 with A-r-1f, No. 3) Below the bow of the laurel crown there is a period which does not appear on the genuine notes (compare A-r-1e, No. 5 with A-r-1f, No. 5) The signature "Alberto E. Castex" does not agree with the number of the note. The signature pertaining to this number would be "Nicolas Avellaneda". The upper decoration of the initial "R" of the text "Republica Argentina" is deformed. In the initial "A" ~~xx~~ the heavy lower left line does not touch the ornamental thin line as is the case in the authentic notes), the figures of the numbering are irregular and of a darker red than that of the genuine notes (compare A-r-1a with A-r-1b).



Back (See clichés A-r-lg and lh):

- A) Tint: irregular. The coloring is alternately strong and weak. The text is, for the greater part, hard to read.
- b) Printing: lacks plastic art particularly the border. The numbers "100" in the three corners do not stand out clearly from the tint. In the two vignettes, right and left of the text "CIEN PESOS", the details are quite neglected. The hatchings of the text itself, as well as that of the tint, are soiled. In the text "Republica Argentina" the different characters are irregular.

Remark: Photomechanical reproduction. Seized beginning of February 1937 at Buenos Aires. The counterfeits, of which 38 copies have been seized to date, come from Paris and were sent to Buenos Aires by a banking institute of London, who had not recognized them as counterfeits. They carry on the back the seal of the London bank "10 Dec - 74"; the two first figures of the numbering are "04" or "06", the indication of the series "B". Three counterfeits carry the signatures of the president "Alberto E. Castex" and of the secretary "Ernesto Mallea Gil" as well as the numbers "06,174,536B", "06,504,612B" and "06,944,678 B".

---

(grl)



Aug. 6, 1937

**S E E** - H.J.B. letter to J. L. .... of above date

filed with HJB letter of Oct. 15th.



NOTE CIRCULATION At the 31st. July.

\$

Central Bank Notes  
outstanding  
Subsidiary Currency

1,179,002,790.-  
211,783,658.80  

---

1,390,786,448.80

%

Ratio of Central Bank's gold and devisen to its  
notes outstanding:

130.99

Ratio of Central Bank's gold and devisen to all  
its sight obligations:

90.18

*Lili*

from: ROBERTS MEY<sup>N</sup>ELL & CO. "Weekly News Bulletin" No.116

Aug.17,1937 (?)



*American Bank Note Company*  
*Hunts Point, Bronx, N.Y.*

A.L.S.

SEP 20 1937

OFFICE OF THE VICE PRESIDENT  
BRONX PLANT

C.P.R.  
DEC 30 1937

September 20th, 1937.

Mr. A. L. Schomp,  
President.

Banco Central de la Republica Argentina

Have read with considerable interest the letters from Argentina.

You will recall that when making my trip to Argentina the idea first advanced by Sr. Irigoyen and the Ambassador was to have me see the Minister of Finance, but that prior to my arrival in Buenos Aires he resigned. Thus, while a new man was appointed, he did not take actual office while I was there.

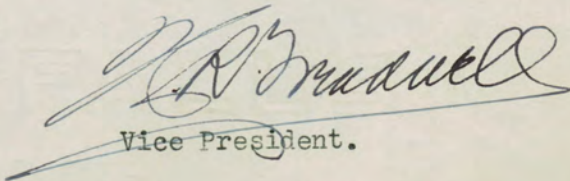
It would appear now that the Minister of Finance was the predominating influence in this matter although it was assured me by both Mr. Roberts and Mr. Meynell that the Minister of Finance would have little, if anything to do with the printing of the bank's notes. Conditions change so abruptly in these countries that it is not safe to accept apparent decisions as final.

Mr. Lane in his letter of July 29th, 1937, in the third paragraph from the end, states that "without full control and management we will not supply machinery, etc.". Would it not be interesting to ask him as to what basis they would consider using our work? Is there any plan which we might be willing to consider? Could Mr. Lane get a concrete proposition from them that might be a basis for further negotiations? The matter, apparently, will extend over a considerable period of time and the Bank Note Company during these negotiations might find a radical change occur in their ideas, - a new Minister of Finance appointed, or from numerous other changes which so often take place in government planning. A company so situated would be in the best position to take advantage of it.

It would be interesting to know how our prices, based on their requirements, which I believe you have, would compare with the cost as stated by the Casa de Moneda.

I have accumulated certain further details relative to the South American Bank Note Company and as soon as they are put together we will forward them to you.

HRT.LS

  
Vice President.



**AMERICAN BANK NOTE COMPANY.**

AIR MAIL

J. Lane  
BUENOS AIRES

SUBJECT

ARGENTINA - NOTES

to

New York

DATE September 23 1937

Since my letter of July 29th on the Banco Central, there has been no change in the matter of Argentine notes. In my interview with Dr. Raúl Prebisch, General Manager of the Banco Central, this afternoon, he confirmed what I have already advised:

1. that at first the Bank ~~had the idea~~ had the idea of having direct charge of the printing of its notes, installing a small plant in its own building;
2. that, with the decision of the government to supply funds to the Casa de Moneda for a new building and equipment, the notes would be printed by the Casa de Moneda;
3. that the Bank is waiting on the Casa to go ahead with its plans;
4. that the type of note, on watermarked or unwatermarked paper, had not been decided on;
5. that, even though the original idea had not been abandoned, none of the notes would be printed abroad.

In explanation of this last, Dr. Prebisch stated that public sentiment is so strong that it would not admit of having notes printed abroad, after using those printed in the country for nearly forty years. This, of course, has been stated many times before, and by others, but it's still a dominant factor. There has been no counterfeiting important or serious enough to have weakened that feeling and evident determination. Dr. Prebisch further remarked that the abandoned idea of the Bank to have a plant of its own solely involved the acquisition of equipment and technical personnel which it is now up to the Casa de Moneda to acquire.

In short, any new type of Argentine note will be printed from the start by the Casa de Moneda; the present notes will be used until the new type is decided upon and the Casa de Moneda is ready to turn them out; and any business to be done will be that of supplying equipment and technical personnel.

They are still counting the votes of the presidential elections which took place on September 5th. The opposition has the majority of the



**AMERICAN BANK NOTE COMPANY.**

**SUBJECT** ARGENTINA - NOTES

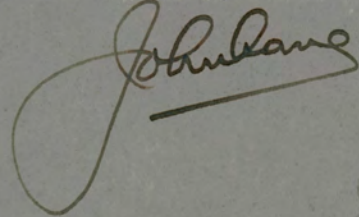
-2-

**DATE** September 23 1937

**to**  
**New York**

individual votes counted to date but the government party is not worried over the final outcome, that Dr. Ortiz will be chosen by the electoral college. That Dr. Ortiz may pay an official visit to the United States seems less probable now than it did two months ago.

Yours very truly,

A handwritten signature in dark ink, appearing to read "John Lane", with a long horizontal flourish extending to the right.

JL



AMERICAN BANK NOTE COMPANY.

SUBJECT: ARGENTINA - NOTES

-5-

DATE: September 22, 1937

RECEIVED

to New York

Individual votes counted to date but the government party is not yet  
ried over the final outcome, that Dr. Frías will be chosen by the  
electoral college. That Dr. Frías may be an official visit to the  
United States seems less probable now than it did two months ago.

Yours very truly,

*John D. ...*

SEP 29 1937



**COPY**  
**AMERICAN BANK NOTE COMPANY.**

New York

SUBJECT PAPER FOR BANK NOTES

to  
H. J. BOULVIN  
Paris

October 4, 1937.

DATE

OCT 6 1937

Mr. John Lane sent us a copy of the air mail letter he wrote you under date of July 28th. This copy was forwarded to us by air mail, but the plane crashed at sea near Cristobal and all the passengers and pilots were lost. Some of the mail was recovered from the sea, taken to Panama, dried in a bakers oven and then forwarded to its destination. Amongst that mail was our correspondence from Mr. Lane.

As we have not heard from you with regard to the information Mr. Lane asks for, it may be that his letter to you was lost, so we are sending you enclosed herewith a copy of it.

Please make inquiries and see what information you can obtain regarding the paper mentioned by Mr. Lane and advise us accordingly.

Yours very truly,

Manager Foreign Department.

CTB:grl

1 encl.

C.C. to John Lane, Esq.,  
Buenos Aires,  
(not on original)

OTHER COPY IN  
PACKET 907



SUBJECT

BANK NOTE PAPER FOR ARGENTINA

NOV -3 1937

DATE October 15th, 1937

H. J. Boulvin  
to  
New YorkC.T.B.  
OCT 26 1937

Your letter of October 4th came to hand.

Herewith enclosed please find copy of the reply which I sent  
Mr. Lane by air mail at Buenos Aires on August 6th.

Sorry I omitted doing this before.

Yours very truly,

H. J. Boulvin

Enclosure.

B



H. J. Boulvin

to

New York

BANK NOTE COMPANY FOR AMERICA

RECEIVED

October 15th, 1937

DATE

RECEIVED  
A.B.N.C.O.

OCT 20 1937

Your letter of October 4th came to hand.

Herewith enclosed please find copy of the reply which sent.

Mr. Lane by air mail at Buenos Aires on August 6th.

Sorry I omitted doing this before.

Yours very truly

*H. J. Boulvin*

Enclosure.

RECEIVED



OCT 26 1937



*by air mail*

C O P Y

C. P. R.  
NOV - 3 1937

52, avenue des Champs-Élysées, Paris.  
August 6th, 1937

Rio de Janeiro

Dear Mr Lane,

Your letter of July 28th reached me.

As you say, your indications regarding a new kind of paper said to have been offered to the Banco Central by a French mill, are quite vague. However, off hand I should assume that the concern must be the "Office Français des Papiers Fiduciaires" which is a fusion of the three main paper mills here: Papeteries d'Arches, de Rives and *Le* Marais.

I have been in contact with them lately and talked paper with young Périgot (of the Pap.d'Arches). I heard from him that they have recently been able to produce a watermarked paper that resists the double folding test up to 3000 and yet permits a good watermark.

Over a year ago they furnished such paper to the National Bank of Czechoslovakia for the printing by them of the 1000 kronen note from their own engravings. We had up to then supplied them with their higher denominations but are losing them little by little.

When this fusion took place (abt 1930) they tried to get us in with them on the agreement that they would hand us all printing orders reaching them and calling for their paper. N.Y. would not listen to such a combination nor will it do so now.

The said syndicate is very active and might well be the one concerned in Argentina.

Shall do what I can further if you can give me more precisions later.

Yours very truly,

(signed) H.J. BOULVIN

John Lane Esq.,  
c/o Leng, Roberts & Cia (Ventas)  
Reconquista 314, Buenos Aires.

OTHER COPY IN  
907



FOREIGN DEPT.  
A.B.N.C.O.

RECEIVED



OCT 26 1937



**COPY**  
**AMERICAN BANK NOTE COMPANY.**

**New York****SUBJECT****BANK NOTE PAPER FOR THE ARGENTINE****to  
H. J. BOULVIN  
Paris**

November 1, 1937

DATE

C. P. R.  
NOV -3 1937

We acknowledge receipt of your letter of October 15th, and thank you for sending us a copy of the letter dated August 6th, which you wrote to Mr. John Lane, in reply to his letter of July 28th regarding a new kind of bank note paper said to have been offered to the Banco Central in the Argentine by a French paper concern.

Yours very truly,

Manager Foreign Department

CTB/IW



December 1937

Heading 1  
A-r-2

ARGENTINE

COUNTERFEIT BANK NOTES OF 50 PESOS  
(Fifty Pesos)

Type 1

Bank notes of the "Banco Central de la República Argentina", Buenos Aires, without any date of issue, issued in virtue of the law of March 28, 1935 (Ley de 28 de Marzo de 1935).

Characteristics :

Paper: slightly thinner than that of the genuine notes and of inferior quality. The hatchings are darker; it tears easily.

Watermark:

poorly imitated by printing in greyish and dull white tints on the face.  
The face of General San Martin is narrower (than on the genuine notes); the nose is strongly curved and the beard is too tinted. The denominational value is rendered in an irregular manner (see A-r-2b; No. 4)

Face: (see cliché A-r-2a)

- a) Tint : irregular and lacks symmetry.
- b) Printing: The height is approximately 4 millimetres less than that of the genuine notes. Deviation in the colors. The edges not printed are excessively wide. The vignette (Symbol of Progress) is defectively executed and irregularly hatched, particularly in the inferior part of the coat of arms (see no. 4.) The pedestal is hatched in the lower right (see No.5) contrarily to the genuine notes. In the frame of the watermark the double line is larger and more open (see no. 3) . The text lacks neatness.

Back: (See cliché A-r-2b):

- a) Tint: The text "REPUBLICA ARGENTINA" repeated infinitely is printed in characters slightly smaller than those on the genuine notes.
- b) Printing: approximately 4 millimetres smaller in the width (See No. 1). Tint different. The white borders are too wide (see No. 2). In the initials "RA" of the left ornament, the last part of the letter "R" is missing.

Remark: Reproduction photo-mechanical. The counterfeits, seized end of January 1937 at Buenos Aires (Argentina), carry the signature of the President "Ernesto Bosch" and of the Director general "Raul Prebisch"; the series D and the numbers "00.024,851" and "00.034,727". These counterfeits come from the same work shops as those described in the 1936 Edition Heading 1: A-r-1, 1a and 1b, type 4.



CONTREFACONS ET FALSIFICATIONS

Translation

December 1937.

Heading 1

A-r-3

ARGENTINE

COUNTERFEIT BANK NOTES OF 10 PESOS  
(Diez Pesos)

Type 1

Bank notes of the "Banco Central de la Republica Argentina", Buenos Aires, without date of issue, issued in virtue of the law of March 28, 1935 (Ley de 28 de Marzo de 1935).

Characteristics:

Paper: slightly darker.

Watermark: Imitated by printing on the back; more or less distinct. The face of General San Martin is narrower than on the genuine notes; the nose is markedly curved and the beard is too tinted.

Face: The design is approximately one millimeter shorter - and 3 millimeters wider. In the vignette (symbol of Progress) the superior part of the right arm is slightly curved. Above the right foot the garment is darker as well as the torch smoke. In the signature of the director general "Raul Prebisch" the knot of the "e" is filled. The indication of the series "D" is more rounded than on the genuine notes. The white-lines/demarcation of the number "10", indicating the value, are much too large.

Back: The design is about one millimeter shorter and 4 millimeters wider.. In the frame of the watermark, in the upper right, one can see a vertical line of about one centimeter. A few leaves are smaller than those of the genuine notes.

Remark: Photo-mechanical reproduction. The counterfeits seized in November 1937 at Buenos Aires (Argentina) carry the signatures of the president "Ernesto Bosch" and of the director general "Raul Prebisch", the series "D" and the numbers "04.231.587", "04.710.378", "04.750.807" and "04.819,570" (Variable)



*Sent via  
Air Mail*

DEC 22 1937

December 6, 1937

No. M-2533  
Ref. Pr. 129

Leng, Roberts & Cia, (Ventas) S. A.  
Reconquista 314  
Buenos Aires, Argentina

Gentlemen:

I have delayed answering your esteemed favor of July 28, 1937 in the hope that we might be favored with a visit from either Mr. Meynell or Mr. Owen, but my latest advice from London is that Mr. Owen is not certain he will come back this way. As you state, Mr. John Lane has written us rather fully with respect to the interviews he had accompanied by one of your firm and particularly that with Dr. Garcia Morales, Director of the Casa de Moneda.

It is quite evident that there has developed a definite inclination to the use of steel engraved notes. This is substantiated by information gleaned from Dr. Morales as well as others and given further support in the Bank's Annual Report for the year 1936 which states that the studies made by them in cooperation with Dr. Morales "point to the advantage of resorting to the steel engraved process in view of the guarantees which it offers, compared with the simple typographic process actually employed, aside from reasons of an aesthetic character".

This is all very well if it takes recognition of the fact that it is the character and quality of steel engraving together with the interpretation of such engravings as revealed in the printed document that determines the degree of inviolability of a country's currency. In other words the so termed steel engraved process is effective only when practiced by those who by long experience are skilled in the art of it.

The American Bank Note Company developed the art of steel engraving as applied to the protection of documents



of monetary value and throughout the entire history of this Company and its affiliates we have adhered strictly to the theory that a proper quality of steel engraving as adapted to intaglio printing of notes offers the greatest obstacle known against counterfeiting and has, incidentally, brought about the most attractive document. It is extremely erroneous however to conclude that because a document has been steel engraved it means the product will be possessed of those essentials above referred to.

The engraving of bank notes is fundamentally and essentially an art. It is impossible to lay down or define any definite standards to be observed. Protection against the danger of future counterfeiting is directly proportionate to the experience, skill and artistry of the engraver. During its century and a half of experience the American Bank Note Company has established certain standards of artistry and skill which it believes are necessary to and which do reduce the danger of counterfeiting to a minimum; yet these standards, and the standards developed by other companies, are no more possible of specification or definition than the standards to be observed in the composition of a symphony, the creation of a statue, or the painting of a landscape or portrait.

Thus, in the final analysis, one must look to the management of a company to determine whether or not such a company is conscious of its responsibilities and alert to the interests of its patrons. In this respect the American Bank Note Company points with pride to its directorate of fifteen members; men of both national and international reputation, recognized for their soundness of view and conservatism.

It does seem to me if the Government officials could know us better and what our Company has always stood for, they might take our views into more serious consideration. As you know, for many years our Company prepared steel engraved notes for circulation in the Argentine and I have recently examined the records and am unable to find a word of criticism or dissatisfaction with our service or our product.

I am fully conscious of the eminent position occupied by the Argentine among the World's leading countries and likewise of its ability to be self sustaining, but, from communications of Mr. Lane, I gather that they are giving consideration to having the engravings made outside of their Country. This, from our point of view, divides the responsibility for any given issue and is extremely hazardous.

I continue of the opinion that the program as outlined by our Vice President Mr. Treadwell at the time of his visit with you, will result to your Country's best advantage. That is, through



cooperation between us we would develop designs and engravings and print, say, a two years supply, during which time conclusive studies would be made by both the Bank or Government's experts and ourselves from which point a further program could be developed. I was hopeful that the Bank might carry out their thought as expressed to Mr. Treadwell and send a representative here that he might see at first hand what takes place in the creation of a properly prepared steel engraved bank note.

From the Government's standpoint, it seems to me this matter should be of such vital concern and far reaching importance as to make every other consideration secondary to a sound solution of their problem. Quite apart from any imputed self-interest we are most anxious to lend that measure of assistance which our knowledge and experience qualifies us to give. I know you are actuated by like considerations and thus if you could convince them that our record and position in the industry over these many years makes us worthy of their confidence it might open the door to further and more intimate conversations resulting in ultimate mutual benefit.

I am still hopeful that Mr. Owen might find it possible to come back by New York and thus give me the opportunity of meeting him.

With the most cordial greetings for the coming Holiday Season,

Sincerely yours,

President

see 10/20/38

see 3/9/39



## AMERICAN BANK NOTE COMPANY

SUBJECT: BANCO CENTRAL DE LA REPUBLICA ARGENTINA

December 13th, 1937.

MR. C. T. BLACKMORE

~~Mr. F. M. Cullen~~

Manager Foreign Department.

Order Entered	
By	<i>[Signature]</i>
No.	
Date	12/17/37

Attention of \_\_\_\_\_

A model for Bank Notes

19189 ✓  
 was prepared on Schedule No. 19190 ✓ dated 4/10/36

Model was submitted Reported pending 6/9/37

and has never been returned.

J. LAWLER

Order Department.

Is order still pending?

*Yes.*

Shall we cancel Schedule?

Will model be returned?

To whom should cost be charged?

*GM*  
 12/17/37



Per s.s. "Northern Prince" 18.12.37.  
Copy by air-mail - 16.12.37.

ROBERTS, MEYNELL & Co.

TELEGRAMS  
LENROS  
TELEPHONE  
31 RETIRO 5090

CODES  
A. B. C. 6TH. ED.  
BENTLEY'S  
W. UNION S. LETTER

*Ask*  
12/21/37  
*[Signature]*

314 RECONQUISTA

BUENOS AIRES

14th December, 1937.

*DEC 22 1937*

Messrs. American Bank Note Company,  
70 Broad Street,  
New York.

Dear Sirs:

We have to acknowledge your letter of December the 6th.

Our partner Mr. R.W. Roberts is expecting to be in New York in February or beginning of March and is looking forward to having a talk with you on the question of bank note printing. As you may remember, Mr. Roberts is a Director of the Central Bank.

You are perfectly right in saying that the Bank has definitely determined to adopt the system of steel engraving for their notes. It is equally beyond question that, as often explained to Mr. Treadwell during his visit to Buenos Aires, the decision to have the notes printed here is final.

Looked at from a common-sense angle, the suggestion you make that the American Bank Note Company or Messrs. Bradbury Wilkinson should print, say, a two-years supply of



notes, pending discussion as to how, in the long run, the notes could be printed here, has everything to recommend it. On the other hand, we believe that we should be failing in our duty to you if we did not express serious doubts as to whether the Central Bank would agree even to a two years supply of notes being printed outside the country. The feeling here is, as you know, immensely strong in favour of home-printed notes.

We can assure you that both the Bank and the Authorities of the Government have the highest possible opinion of the American Bank Note Company, and it is certainly not from the angle of any want of confidence in the capacity and ability of your firm to carry out the work that the Bank and the Authorities view the question.

The Bank has very frequently, and again quite recently, expressed the view that they should send their experts to the States and to England, to make a study of all the processes, but so far no definite decision has been come to to put the idea into practice. In any case, Mr. Roberts will much look forward to discussing the whole position with you on his arrival in New York.

May we reciprocate most heartily your cordial greetings for the coming holiday season.

We are, dear Sirs,

Yours faithfully,

*Robert Thompson*





DEC 20 1937

RECEIVED  
JAN 10 1880  
LIBRARY OF THE  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C.



Per s.s. "Northern Prince" 18.12.37.  
Copy by air-mail - 18.12.37.

ROBERTS, MEYNELL & C<sup>o</sup>

TELEGRAMS  
LENROB  
TELEPHONE  
31-RETIRO 5000

CODES  
A B C 6TH ED.  
BENTLEY'S  
W UNION 5 LETTER

10.12.37  
JAN - 7 1938

314 RECONQUISTA  
BUENOS AIRES

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May we reciprocate most heartily your cordial greetings for the coming holiday season.

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Yours faithfully,

*Robert Thompson*



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JAN -7 1938



JAN -7 1938



## AMERICAN BANK NOTE COMPANY. AIR MAIL

SUBJECT

ARGENTINA - NOTES

C. P. R.  
DEC 30 1937

DEC 20 1937

DATE December 14 1937

J. Lane  
B. AIRES

to

New York

In a conference to-day with Messrs. Roberts, Meynell and Clisby, in connection with Mr. Schomp's letter of December 6th to our agents, it was announced that Mr. Roberts himself would be in New York early next year and that Mr. Meynell was writing you to that effect.

Apart from discussion of the several points already reported in their letters and mine to you, the only new one was the renewal of the talk by the Banco Central of sending a small commission abroad to study the question of bank note printing. Politics enter as to who should go, although it is expected that nothing will be done in this regard before the end of the present government administration next February. Again it was thought that such possible commission would contain Sres. Amílcar A. Muschietti of the Banco Central and Antonio A. García Morales, Director of the Casa de Moneda. Both of these gentlemen have accumulated a large amount of statistics and reports from all sources. The former, one would imagine, considers himself an expert in the matter, while the latter is confident that the Casa will and can do the printing under his full control. I remarked that it would be a very good thing if such commission were to be in New York during Mr. Roberts' visit.

Mr. Meynell brought up the point that De la Rue have already made offers to equip, etc. the Casa de Moneda to print steel engraved notes. As I have already advised <sup>Sr. Muschietti</sup> looks with favor on the one pound and ten shilling notes of the Bank of England. Undoubtedly, De la Rue will promise, as they have done elsewhere, to set them up to produce that type of note. What



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AMERICAN BANK NOTE COMPANY.

AIR MAIL

J. Lane  
B. AIRES

SUBJECT ARGENTINA - NOTES

to

New York

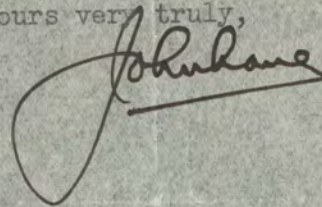
-2-

DATE December 14 1937

seemed to be on Mr. Heynell's mind was that some such firm might get away with some such offer before BW and ourselves had evolved and presented a plan or proposition which would fit in with the firm resolve to print all the notes here.

It could not be better than that Mr. Roberts go to New York. He has had over two years' experience as a Director of the Banco Central and knows the whole situation at this end thoroughly.

Yours very truly,



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AMERICAN BANK NOTE COMPANY

SUBJECT ARGENTINA - 10723

New York  
to

DATE December 14 1937

...ed to be ... mind was ...  
... away with some ...  
... a plan of ...  
... the notes here.  
... could not be better than ...  
... he has had over two years' experience as a ...  
... and knows the whole situation ...

*John D. ...*



DEC 20 1937



# AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINE CURRENCY

DATE December 17 1937

J. Lane  
R. AIRE

to  
New York

Attached is a typewritten copy of a printed report made by the Director de la Casa de Moneda, recommending the adoption of one peso and 50 centavo coins. Apparently, the Director's immediate desire is the coinage of 50 centavo pure nickel pieces and one peso pieces of 40% nickel. I have handed Leng, Roberts (Mr. Owen's office) a copy of the enclosed.

The following is a translation of certain parts of the report which would interest us.

(page 1) The chief feature of the currency circulation in our country at the present time is the continuously increasing demand for notes of the low denominations, resulting in their appreciable increase in quantity to the detriment of the higher denominations. The following data demonstrate the growing increase in the number of one peso notes in circulation:

1915	27,199,838	1930	62,835,569	1934	63,601,877
1920	38,798,170	1932	58,325,849	1935	69,101,984
1925	48,225,018	1933	58,731,790	1936	74,412,579(10/31)

It is a well-known fact that, notwithstanding the constant renewal made by the Banco Central and which was also practiced by the extinct Caja de Conversión, the general appearance of the one and 5 peso notes leaves much to be desired. After a short time in the hands of the public, the notes lose the original appearance and become discolored, turning them shortly into scraps of dirty paper and making their acceptance repellant.

The average life of the one peso note varies between 15 and 20 months. So short a period of durability involves the expenditure of large sums in their replacement; and the quantities increase year by year.

If notes of decent appearance be desired, the cost of replacement will increase considerably, and even much more if the new issues be printed by the combined steel engraving process.

...in connection with our circulating medium, there is another factor, the suppression of the 50 centavo note which has not been issued since 1927.

We can say that there is no monetary system in which, amongst the submultiples of its unit, one corresponding to half of the unit does not figure.

Undoubtedly, it was not its uselessness in our country which caused its disappearance. On the contrary, its very active use in circulation, coupled with the small size of the note, resulted in its destruction or in a very disagreeable appearance. That was the reason why the Caja de Conversión decided to stop their issue though we believe without doubt that it was done not as a definitive measure.

As I see it, very beneficial results would be obtained by endeavoring to bring about the practice of using the least number of



# AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINE CURRENCY

to

New York

-2-

DATE 12/17/37

notes and coins in transactions.

For this purpose it is necessary to place in the hands of the public coins and notes which would make payments simpler and easier.

From my point of view the solution is in the adoption of the following measures: 1. Coins of 50 centavos and one peso.

2. Two peso notes.

(page 2) The two peso note forms part of the present circulation although it has fallen into complete disuse, for none has been issued since 1899.

-----  
The one peso coin, in circulation with the note of the same denomination, would permit of two great benefits: 1. Bring about a more convenient circulation with a monetary piece of good appearance. 2. Reduce the wear and tear on paper money.

As can be seen, I do not propose the total replacement of the one peso note. I consider it of great utility, to strengthen or complement the fiduciary issue of this denomination with a metal currency which fulfils the same purpose, that is to say, with a "metal note".

In all the principal foreign countries coins and notes of the same denomination circulate.

I consider it of great advantage to adopt afresh the two peso note. The 2, 20 and 200 peso denominations existed in the old issues of our country but they were eliminated in the reform set up in the Law of Sept. 20th, 1897.

This denomination (2 pesos) would contribute to the use of a smaller number of notes, facilitating transactions and reducing the employment of the note (1 peso) which represents the monetary unit.

(page 5) Comparative Costs. We have seen that the price per thousand for making coins of quaternary silver, to last 25 years in use, is 259 pesos. At the end of that period there would be the following losses: 10% on 255 pesos (cost of the metal) \$25.50

Cost of resmelting, rolling and cutting 4.00

Coinage 4.00 \$33.50 Total.

It therefore results that at the end of 25 years the monetary pieces will cause an expense of 33.50 pesos per thousand for their renewal.

Taking 20 months as the life of the one peso note, there would be 15 renewals in 25 years. The present notes turn out at \$6.30 per thousand. In that lapse of time \$94.50 would have been expended. So that there is a difference of 61 pesos in favor of the coin. The difference would be much greater if the notes were steel printed; their approximate cost would be 14 pesos per thousand. Granting them a life of 30 months, 10 renewals would be necessary in 25 years, causing an expenditure of \$140 per thousand which would be an increase of \$106.50 with respect to the coins.

Proportionately, the difference is enormously greater comparing 50 centavo notes with coins of pure nickel of the same denomination.

The 50 centavo note, for reasons we have stated above, require replacement each 15 months of continuous circulation. The cost per thousand, type printed, is about \$4.80, and steel engraved \$11, with a life of 20 months.



# AMERICAN BANK NOTE COMPANY.

SUBJECT ARGENTINE CURRENCY

-3-

DATE 12/17/37

to  
New York

Only after 30 years of continuous use will the pure nickel pieces have to be reminted. At the end of that period the expenses for renewal would be the following:

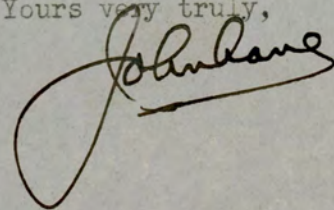
5%, loss of metal, on 24 pesos	\$1.20
Cost of resmelting, rolling and cutting	4.00
Coinage	3.60
	\$8.80 Total

In 30 years type printed notes must be replaced 24 times, an expenditure of \$115.20 for each thousand in circulation; if engraved notes, 18 replacements, equivalent to an expenditure of \$198 per thousand. Therefore, \$106.40 per thousand would be saved with respect to type printed notes and \$189.20 if the notes are engraved.

Unless the Government and the Banco Central maintain the total amount in pesos of the notes now circulating, the Director would be advocating the redemption of notes amounting to 20,000,000 pesos. On that basis his arguments would be rather weakened. He would be ignoring the initial cost to the government for acquiring metals and for coining.

For the one peso notes now circulating, the Director states the price of 6.30 pesos per thousand, or about \$1.86 U.S.C. at present exchange rates. In my letter of September 5th, 1935, to you I stated that Sr. Muschietti gave me 10 pesos per thousand as the "commercial price", or about \$3.30 USC. The Director probably does not know what his notes really cost, though to use a figure higher than he does, would strengthen his argument for coins. He even has prices for steel engraved notes - 14 pesos per thousand for the one peso notes and 11 pesos for the 50 centavo notes, or about \$4.10 and \$3.20 USC.

Yours very truly,



JL





New York

JAN 7 1938

*John Lane*



ESTUDIO SOBRE LA EMISIÓN DE MONEDAS METÁLICAS  
DE CINCUENTA CENTAVOS Y DE UN PESO

presentado al  
Ministerio de Hacienda de la Nación

por el

Dr. ANTONIO A. GARCÍA MORALES, Director de la  
CASA DE MONEDA de la Nación

Buenos Aires - 1936

La característica predominante de la circulación monetaria en nuestro país, en la actualidad, es la de exigir cada vez más, billetes de valores menores sobre todo de un peso, trayendo como consecuencia el aumento considerable de la emisión menor a expensas de los tipos de mayor valor.

En las siguientes cifras se nota el aumento creciente de los billetes circulantes de un peso:

1915	27.199.838	1930	62.835.569	1934	63.601.877
1920	38.798.170	1932	58.325.849	1935	69.101.984
1925	48.225.018	1933	58.731.790	1936 (31/10)	74.412.579

Es un hecho bien conocido que no obstante la continua renovación que realiza el Banco Central de la República Argentina y la que efectuó la extinguida Caja de Conversión, el aspecto general de los billetes de uno y cinco pesos deja bastante que desear. Los billetes, al poco tiempo de estar en manos del público, pierden su primitivo aspecto por la acción del manoseo y se descoloran convirtiéndose luego en trozos de papel sucio, llegándose a admitirlos hasta con cierta repulsión.

La vida media de un billete de un peso oscila entre quince y veinte meses, obligando tan breve término de duración a invertir sumas elevadas en el reemplazo de los mismos cuyas cantidades van en aumento de año en año.

Si se desea tener billetes de buena apariencia, en todo el país, eliminando los deteriorados, los manchados y los muy sucios, el costo de conservación va a aumentar apreciablemente y todavía aún más si las nuevas emisiones se confeccionaran por el procedimiento de grabado en acero combinado.

CAUSAS DEL AUMENTO DE LA CIRCULACIÓN DEL BILLETE DE UN PESO.- No solamente las modalidades de la circulación monetaria son las que han determinado el acrecentamiento de la cantidad de circulante de un peso, sino que hay otro factor constituido por la supresión del billete de cincuenta centavos que no se emite desde el año 1927.

No hay, podríamos decir, sistema monetario en que no figure entre los submúltiples de la unidad, la que corresponde a la mitad de ella.

En nuestro país no ha sido indudablemente su inutilidad lo que ha motivado la desaparición de ese valor, sino que por el contrario, su gran movimiento en la circulación unido al reducido tamaño del billete, determinaron que en poco tiempo se destruyeran o presentaran un aspecto sumamente desagradable. Esto fué la causa de que las autoridades de la Caja de Conversión resolvieron suspender esa emisión, aunque indudablemente creemos que no lo hizo con carácter definitivo.

MEDIOS DE ATENUAR EL DESGASTE DE LOS BILLETES DE EMISIÓN MENOR.- A mi modo de ver, se obtendrían resultados muy beneficiosos tratando de conseguir que en la práctica de las transacciones se emplee el menor número de signos monetarios.

A este efecto, es necesario poner a disposición del público piezas o billetes que le simplifiquen y le faciliten los pagos.

La solución, según mi criterio, está en adoptar las siguientes medidas: 1. Acuñar monedas metálicas de \$0,50 y \$1.-

2. Imprimir billetes de \$2.-

Las monedas metálicas de cincuenta centavos y de un peso que aconsejo, se diferencian fundamentalmente de la que figuran en la Ley de Monedas No.



1.130 del 5 de Noviembre de 1881, tanto por sus características físicas como por su valor nominal o intrínseco.

El billete de dos pesos forma parte de la circulación actual aunque ha quedado totalmente en desuso en los cambios corrientes, dado que desde 1899 no se emiten.

NECESIDAD DE LA MONEDA DE CINCUENTA CENTAVOS.- En la circulación falta esta pieza, dando lugar a un mayor uso del billete de un peso y de las piezas inferiores en razón de que para un cambio menor de la unidad superior a la mitad de esta, es necesario emplear varias piezas; sea un billete y discos metálicos o tres piezas como mínimo, cuando con dos monedas en la mayoría de los casos, empleando el valor de cincuenta centavos, se ahorraría en los pagos menores por lo menos una, o se evitaría el uso del papel.

Por tanto, con una moneda de cincuenta centavos, se simplifican los cambios y se economiza, en parte, el billete de un peso.

CONVENIENCIA DE LA PIEZA METÁLICA DE UN PESO.- La pieza metálica de un peso, circulando simultáneamente con el billete del mismo valor, permitiría obtener dos grandes beneficios: 1. Disponer de una circulación más cómoda con un signo monetario de buen aspecto; 2. Reducir el desgaste de la moneda de papel.

Como se ve, no propongo el reemplazo total del billete de un peso sino que considero de gran utilidad reforzar o complementar la emisión fiduciaria de este valor con una moneda metálica que llene el mismo fin, es decir con un "billete metálico".

En los principales países extranjeros también circulan contemporáneamente piezas y billetes del mismo valor.

VENTAJAS DEL BILLETE DE DOS PESOS.- La adopción nuevamente del billete de dos pesos la considero de gran provecho.

En las antiguas emisiones de nuestro país, existían las denominaciones de 2, 20 y 200 pesos, las que se eliminaron en la renovación establecida por la Ley de 20 de Septiembre de 1897.

Este valor contribuiría a utilizar menor número de billetes en los cambios facilitando las transacciones y reduciendo el empleo del billete que representa la unidad monetaria.

## II

### CARACTERÍSTICAS DE LA MONEDAS METÁLICAS QUE SE ACONSEJAN

METAL.- En la elección del metal monetario es necesario atender a diversas finalidades: 1. El rol que desempeña.

2. El tamaño que se piensa adoptar.

3. El monto de las sumas que se destinan a la adquisición del metal.

En cuanto al primer punto, si la moneda a emitir es de valor nominal pequeño, es decir, que está destinada a los pagos menores, el metal puede ser el níquel, una aleación de plata y hasta el bronce. Por el contrario, si el valor del cuño es igual o superior a la pieza monetaria de uso más difundido, la pasta deberá ser por lo menos de una aleación de plata.

El aspecto psicológico es una cuestión que no debe descuidarse.

La idea del valor está en relación con la clase del metal que se emplea en la moneda. Los metales preciosos producen en la mente del público un concepto más elevado de valor.

El níquel y sus aleaciones, el cobre y el bronce, dentro del criterio del pueblo son considerados metales de monedas fraccionarias, atribuyéndoles por lo tanto a las piezas confeccionadas con estos elementos un valor secundario.

De ahí que considero que el signo metálico de la unidad monetaria en nuestro país debe ser de plata, o de una aleación que presente las características de este metal.

La moneda de cincuenta centavos puede ser del mismo metal que la de un peso, o de níquel puro que presenta varias ventajas, como veremos enseguida.

TAMANO. - Siendo la comodidad una de las cualidades esenciales de las monedas, es necesario al fabricar piezas monetarias, adoptar tipos fácilmente manuales, no muy pesados, y de un volumen que no constituye una molestia en la práctica de los cambios.



No es necesario que el tamaño y peso de ellas sean proporcional a sus respectivos valores nominales, siendo suficiente dar a los diversos tipos de estas monedas, cantidades de metal que diferencien bien una pieza de otra y que no den lugar a confusiones entre ellas.

**DIFERENCIACIÓN DE LAS MONEDAS SEGÚN EL DIÁMETRO.**— Estas condiciones he tratado de observar en las dos piezas que propongo, como se observa en el gráfico que acompaño.

He asignado a la moneda de cincuenta centavos un diámetro de 24 mm. y 6 gramos de peso y a la pieza de un peso, de 28 mm. de diámetro y 10 gramos de peso. La diferenciación con la moneda de níquel es bien marcada, y la de las dos piezas entre sí también es notable, tratando de dar a la de un peso un tamaño que aunque no muy voluminoso dé una idea de valor muy superior.

**MONTO DE LAS SUMAS PARA LA ADQUISICIÓN.**— Si se dispone de sumas importantes para la acuñación, indudablemente que es preferible adoptar un título que no baje de 800 de fino.

Es evidente que cuanto mayor cantidad de fino contiene la pieza monetaria, mayor valor intrínseco tiene la moneda, pero desde hace muchos años, la plata en la circulación universal está relegada entre las monedas de carácter convencional cuya fuerza liberatoria es largamente superior al valor intrínseco, de modo que se ha convertido aún en los casos en que tiene un alto título en una moneda fiduciaria metálica.

Por consiguiente, sin la menor aprehensión se puede adoptar una pieza de una aleación de plata que presente las ventajas de una resistencia mayor al desgaste producido por el frotamiento y un costo de un cuarenta por ciento inferior al de plata de 900 milésimos de fino.

Las aleaciones de baja ley están en uso en Gran Bretaña, en Yugoslavia, en Rumania, en Bélgica, en Bulgaria, en el Brasil, etc.

**PIEZA DE CINCUENTA CENTAVOS.**— Las materias con que podría fabricarse esta pieza eligiendo entre los metales monetarios, serían las siguientes:

1. De plata de título alto, entre 800 y 900 milésimos de fino.
2. De plata de baja ley, de 500 o de 680 milésimos de fino, siendo los otros componentes el cobre, el níquel, el zinc, etc.
3. De níquel puro de 99%.

No obstante ser las dos primeras, dos composiciones monetarias convenientes y muy aplicadas en los distintos regímenes monetarios, me inclino decididamente por las piezas de níquel puro, dado sus óptimas condiciones para una moneda de este valor.

Las ventajas prácticas que presenta este metal para piezas monetarias, son las siguientes:

- a) El níquel es un metal muy resistente a la oxidación por lo que no se obscurece, conservando indefinidamente su brillo y limpieza.  
No obstante cierto parecido con la plata, no es fácil confundirlo.
- b) Por su dureza es muy difícil de falsificar y toda imitación hecha con aleaciones de metales blancos es fácil de descubrir sometiéndola a la acción de un imán.
- c) Los gastos de renovación son menores que utilizando cualquier otro tipo de metal por la gran resistencia a la acción del frotamiento.
- d) Este metal no sufre las oscilaciones de precio que tienen otras aleaciones monetarias, especialmente cuando entre los componentes figura la plata.  
Cuando después de muchos años es necesario fundir las piezas inservibles o desmonetizarlas, conserva su valor intrínseco, lo que no ocurre con las aleaciones.
- e) Los discos cuestan aproximadamente diez veces menos que los cospeles de plata de 900 milésimos de fino y seis veces menos que los de una aleación de plata de 500 milésimos de fino.

**PIEZA DE UN PESO.**— Para este signo monetario metálico se puede seleccionar el metal entre los que se han mencionado anteriormente para la moneda de cincuenta centavos.

Pero en este caso, prefiero el metal de plata por las razones de carác-



ter psicológico que he mencionado al tratar en general la cuestión del metal en el capítulo anterior.

Varias aleaciones de plata cuyo componente fundamental es la plata pueden aconsejarse para las piezas de un peso. Entre otras, las de 900 milésimos de fino, de 835, de 800, de 720, de 680 y de 500 milésimos de plata. Estas composiciones llevan como metal complementario el cobre en las binarias y además el níquel y el zinc en las cuaternarias.

Las aleaciones de elevado porcentaje de fino, obligan a invertir sumas de consideración en la compra del metal por lo que es más conveniente elegir la plata cuaternaria que solo tiene 500 partes de plata y presenta una apariencia semejante a la de pastas formadas con 900 partes de metal precioso y 100 de cobre.

(The rest of this section contains recommendations)  
(for modifying Monetary Law No. 1130 of Nov.5/81. )

### III COSTO DE FABRICACIÓN

PIEZAS DE UN PESO.- La plata en el mercado de Londres se cotizó el día 28 de Diciembre de 1936, a 21-3/4 peniques la onza troy (31,10416 gramos).

De acuerdo a este precio y al tipo de \$15 curso legal, la libra esterlina, el gramo resulta a razón de \$0,0426992 f.o.b. Londres.

Incluyendo los gastos de confección de los discos en blanco, el flete y el seguro, las piezas de un peso de un título de 900 milésimos de fino y de diez gramos, costarían aproximadamente colocados en Buenos Aires, a \$438 curso legal, el millar.

Empleando la aleación de plata de ley baja, llamada cuaternaria (500 milésimos de plata, 400 de cobre, 50 de níquel y 50 de zinc) los cospeles valdrían alrededor de \$255 curso legal, el millar.

La acuñación de las piezas de cualquiera de estas dos aleaciones, se calcula a razón de \$4 curso legal, el millar.

Considero necesarias por lo menos diez millones de monedas. El costo total ascendería a \$4,420.000 si fueran de título de 900 y a \$2.590.000 curso legal, si se emplease aleación de plata cuaternaria.

PIEZAS DE CINCUENTA CENTAVOS.- Los discos en blanco, de plata de 900 milésimos de fino, de 6 gramos y 24 milímetros de diámetro, cuestan aproximadamente \$265 el millar. En aleación de plata cuaternaria el costo es de \$156 curso legal, el millar. Mucho más económico resultan los discos de níquel puro de 99% que salen a \$24 el mil.

El trabajo de amonedarlos representa un recargo de \$3.20 m/n en discos de cualquier aleación de plata, y de \$3.60 en los de níquel puro por cada millar.

Emitiéndose veinte millones de piezas de este valor, el costo total comparado sería el siguiente: De plata 900 milésimos \$5.364.000

" " 500 " "3.184.000

" níquel puro, 99% " 552.000

DURACIÓN DE LAS MONEDAS METÁLICAS.- La duración de las monedas metálicas guarda una relación directa con la tenacidad y dureza del metal empleado.

Los metales preciosos cuanto más puros son, presentan una menor resistencia al desgaste; por consiguiente, las pastas monetarias están formadas por aleaciones en que interviene el cobre como metal complementario, teniendo éste la propiedad de dar mayor maleabilidad y dureza al metal.

De acuerdo a la experiencia se comprueba que las monedas de aleaciones de metales tienen una vida media, en buenas condiciones, de veinticinco años.

El níquel, en su estado de pureza, tiene una resistencia mayor a la usura, llegando las piezas monetarias a circular en buenas condiciones hasta 35 años.

Colocándonos en un término medio razonable consideramos que la pieza de un peso de plata cuaternaria que proponemos durará en buenas condiciones veinticinco años y la del níquel puro, treinta años.

VALOR DEL METAL DESMONETIZADO.- Cuando las piezas presentan signos marcados de desgaste y han perdido parte de su peso borrándose las efigies de sus caras como consecuencia del frotamiento lento e insensible, se procede a refundirlas para



aprovechar nuevamente el metal. El desgaste producido por el movimiento circulatorio está en relación con el tamaño de la moneda y su composición, actuando además otros factores secundarios.

El porcentaje de pérdida de la porción de plata que es el metal de alto valor en la pieza de un peso propuesta, alcanzará aproximadamente a un diez por ciento de su peso. El metal perdido en las piezas de níquel puro de 50 centavos sólo alcanzará a un cinco por ciento.

**GASTOS COMPARATIVOS DE LA EMISIÓN DE PIEZAS METÁLICAS Y BILLETES DE CINCUENTA CENTAVOS Y UN PESO.**— Fijados los porcentajes de pérdida por la usura y la duración de las monedas, estamos en condiciones de establecer el costo comparativo de la fabricación de piezas metálicas y de billetes de igual valor.

Hemos visto que el precio de fabricación por millar de piezas acuñadas de plata cuaternaria destinadas a durar 25 años es de 259 pesos.

Al cabo de este término habrá las siguientes pérdidas:

10% sobre 255 pesos (costo del metal)	\$25,50	
Gasto de refundición laminado y corte	4,00	
Acuñación	4,00	\$33,50 Total

Resulta, pues, que a los 25 años de uso de las piezas monetarias se produciría un gasto de 33,50 pesos por millar para la renovación de las mismas.

Estimando en 20 meses la duración de los billetes de un peso, en 25 años, habría que hacer 15 renovaciones, y teniendo en cuenta que los billetes actuales salen a \$6,30 el millar, en ese lapso de tiempo se habrá gastado \$94,50. De modo que hay una ventaja de 61 pesos a favor de la moneda metálica.

La diferencia sería mucho mayor si los billetes fueran impresos sobre acero y su costo aproximado es de 14 pesos el millar.

Atribuyéndoles una duración de 30 meses serían menester 10 renovaciones en 25 años, determinando un costo de \$140 el millar, lo que equivale a un recargo de 106,50 pesos con respecto a las piezas metálicas.

En proporción la diferencia en el costo es enormemente mayor al comparar billetes de 50 centavos con piezas de níquel puro del mismo valor.

El billete de 50 centavos, por las razones que hemos dado anteriormente, necesita ser reemplazado a los 15 meses de circulación continua. El costo por millar, impreso por el sistema tipográfico, es aproximadamente de \$4,80, y grabados en acero de \$11,— con una duración de 20 meses.

Las piezas de níquel puro recién sería necesario reacuñarlas a los 30 años de uso ininterrumpido. Los gastos de renovación al cabo de ese tiempo serían los siguientes: 5% de pérdida de metal sobre 24 pesos \$1,20

Costo de refundir, laminar y cortar	"4,00	
Acuñación	"3,60	\$8,80 Total

En 30 años es necesario practicar 24 sustituciones de billetes tipográficos, lo que representa una inversión de \$115,20 por cada millar circulante; y si los billetes fueran grabados, 18 reemplazos lo que equivale a una erogación de \$198 por millar. Se ahorraría por consiguiente \$106,40 por millar con respecto a los billetes impresos tipográficamente y \$189,20 si los billetes son grabados.

**FACILIDAD DEL RECuento DE LAS PIEZAS METÁLICAS.**— La moneda metálica tiene también a su favor la ventaja de que en los recuentos de grandes cantidades de numerario pueden utilizarse máquinas especiales que cuentan con la mayor seguridad más de dos mil monedas por minuto.

Los bancos, las empresas de transportes de pasajeros y grandes instituciones comerciales que reciben muchas piezas monetarias de tipo menor, podrían emplear esas perfeccionadas máquinas de escaso precio, reduciendo así las tareas y los gastos de las cajas y oficinas recaudadoras.

**SEGURIDAD CONTRA LAS FALSIFICACIONES.**— Cualquier tipo de moneda está sujeta a la acción delictuosa de los falsificadores. Son conocidos los diversos procedimientos de imitación de los billetes de banco. La falsificación de monedas metálicas en nuestro país es poco común, debido seguramente a que el escaso valor de las piezas tienta menos a los falsos acuñadores. En otras partes las fal-



sificaciones de monedas metálicas son más frecuentes, pero sin embargo, se logra mucho éxito contra los delincuentes. A fin de eliminar en lo posible el riesgo de la imitación en el caso de acuñarse esta clase de monedas, es útil tomar de antemano las mayores precauciones.

Para crear un verdadero obstáculo al fraude en las piezas de un peso, debería de hacerse en lugar del canto acanalado de tipo común, una virola lisa con grabados en hueco de signos semejantes a los dibujos que vienen inmediatamente. (here, 2 photos of rims of 2 discs with suggested designs).

Estos grabados exigen un procedimiento más complicado para estamparlos en los discos, y es muy difícil que se puedan imitarlos sin disponer de elementos muy perfeccionados de acuñación y tener suficiente capacidad técnica.

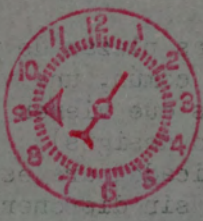
Por otra parte, esos dibujos estampados en los cantos mejoran el aspecto artístico de las piezas, como se puede observar en las reproducciones que a continuación inserto: (here the same 2 photos much reduced)

En las piezas de cincuenta centavos de níquel puro aconsejo conservar el cordoneado de las piezas comunes de 5, 10 y 20 centavos de bronce níquel, en razón de que ese metal es muy duro y el estampado con signos resultaría más oneroso en virtud de que el rendimiento de las máquinas es mucho menor. Además, la dureza del metal y sus otras características físicas y la facilidad de comprobar la imitación por medio del imán impediría las tentativas de los falsificadores.

Buenos Aires,  
December, 1937.  
JL



FOREIGN DEPT  
A.B.N.CO.



JAN -7 1938

RECEIVED  
JAN 10 1938



DUPLICATE SENT

DUPLICATE SENT

DEC 22 1937

Air Mail

December 21, 1937.

Messrs. Roberts, Meynell & Co.,  
314 Reconquista,  
Buenos Aires, Argentina.

Dear Sirs:-

We beg to acknowledge receipt of your esteemed letter of the 14th instant, and we wish to thank you for the interesting observations you make therein, all of which will be taken into due consideration.

We were very glad indeed to hear that your Mr. R. W. Roberts is expecting to be in New York in February or beginning of March. We are looking forward to the pleasure of meeting him and to the opportunity his visit here will give us to discuss with him the question of bank note printing in general, but particularly with regard to the notes for the Argentine.

With our kindest regards, and with the Compliments of the Season,  
we are,

Yours faithfully,

Manager Foreign Department.

CTB:grl

*Duplicate*



ARGENTINE NOTES

DEC 30 1937

DUPLICATE SENT

December 29, 1937

John Lane, Esq.,  
Rio de Janeiro,

Original via air mail

We beg to acknowledge receipt of your letter of December 14th, for which we thank you.

Both from your letter and from Messrs. Roberts, Meynell & Co's letter of December 14th we are pleased to learn that Mr. Roberts is expecting to be in New York early next year and we welcome the opportunity of discussing with him in detail the matter of bank notes in general, and more specifically those for the Banco Central de la República Argentina.

We were also glad to hear that there is a renewed possibility of the Banco Central sending a small commission abroad to study the question of the engraving and printing of notes, and we sincerely hope that Mr. Antonio A. García Morales will be appointed one of the Delegates, for we would very much like to demonstrate to him and to the rest of the commission what a really well equipped and organized bank note plant means, and impress them with the undertaking and expense it would be for their Government to properly equip and adopt a bank note division in the Casa de Moneda.

We have taken due note of all the information that you and our agents have sent us in your recent letters on the matter of the Argentine bank notes. This data will be useful when this subject is discussed with Mr. Roberts, when he arrives here.



ARGENTINE NOTES

December 29, 1937

John Lane, Esq.,  
Rio de Janeiro.

-2-

In order to complete your records and files we enclose herewith copy of Mr. Schomp's letter addressed to Leng, Roberts & Cia (Ventas) S.A. dated December 6th, 1937, and copy of our letter to Roberts, Meynell & Co. dated December 21st, and we acknowledge receipt of your letters of April 24th, June 29th, July 29th and September 23rd, on this subject.

Mr. Roberts will be well posted on the bank note situation in the Argentine, in so far as the requirements of the Banco Central go, but if you hear of any new developments or get any further information on the matter of the note issue in the Argentine, please send it to us, as it might be useful in the discussions which we look forward to having with Mr. Roberts in the early part of next year.

Yours very truly,

CTB/IW

Manager Foreign Department

OTHER COPY IN  
PACKET 593 Sub Agt.